

JPRS-LAM-85-051

12 June 1985

Latin America Report

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12 June 1985

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12 June 1985

INTER-AMERICAN AFFAIRS

PINOCHET ON ARGENTINA-CHILE TREATY NEGOTIATION PROCESS

Santiago COSAS in Spanish 2 May 85 pp 10-12

[Interview with Chilean President Augusto Pinochet by Monica Comandari in his office; date not specified]

[Text] "My only desire was to keep Chile out of a war and to bring calm to our people and to our younger generations, who are the most valuable guarantee of Chile's future," the president indicated.

Cordial and serene, as on the other occasions that he has granted interviews to COSAS, he once again demonstrated that when he gives his word, it is as good as gold. He promised to talk with me for a while before the signing of the Peace Treaty with Argentina and he did so, in spite of his many meetings, in spite of his numerous commitments and in spite of the worries that from time to time seemed to enter his mind and sadden his look somewhat, erasing his usual smile.

He was finalizing the details of his trip to Osorno, La Union, Valdivia and, finally, Talcahuano, where on 1 May he was to deliver his Labor Day speech. Our idea was to cover all of the issues that are of public interest today. But the president preferred not to, feeling that he had agreed to the interview to discuss Chilean-Argentine relations: "You know that we will discuss other matters when the time comes. I don't have much time," he noted. "It saddens me, because I would have liked to spend hours talking about this extremely important development for our country, this landmark in relations between two sister nations."

There were a great many meetings scheduled for that day, and I had to wait for quite some time. Three cabinet ministers filed in and out: Ricardo Garcia,

the interior minister; Jorge Prado, the minister of agriculture, and Jaime del Valle, whose conversation with the president was without doubt the most important that morning.

The foreign minister discussed with the president the most important details of his trip to Rome as our country's official representative to the ceremony at which the instruments of ratification will be exchanged, thus putting an end to the border dispute. On Thursday 2 May the Chilean delegation will give the Holy Father a valuable antique crucifix and a silver chalice in appreciation for his mediation efforts.

On the chief executive's desk was the draft of his Labor Day speech. The president, like the entire country, was pleased at the appointment of Monsignor Juan Francisco Fresno as our third cardinal. My first question was inevitable:

[Question] What does this appointment mean to you as president?

[Answer] It is a very justified appointment. I was very pleased to hear about it. Yesterday I sent Monsignor Fresno a congratulatory note through the interior minister.

The topic of the interview was peace with Argentina, a topic about which he waxes enthusiastic. I remarked to him that I heard someone say that he was a soldier who had fought for peace.

[Pinochet] I did my utmost on all fronts for the success of this process (his expression bespeaking a deep-seated conviction). When the treaty was approved in Argentina in a plebiscite and then ratified by the congress there, and later, when the Chilean Government Junta approved it after meticulous study, I felt a profound personal satisfaction, because Chile had succeeded in settling a dispute between two sister nations.

[Question] Do you agree with the statement that there are no winners or losers under the Peace Treaty with Argentina?

[Answer] We can see this from the very title of the treaty, Treaty of Peace and Friendship, which indicates that there can be no talk of winners or losers. Moreover, the treaty is a compromise, as it expressly points out, and there can be no talk of "winners or losers" in a compromise.

[Question] How did you feel when in 1978 Argentina declared that the Arbitral Award was "irreparably null and void"?

[Answer] The 1977 Arbitral Award was an unappealable ruling. So then, the declaration of nullity had no legal effect whatsoever. Nonetheless, the statement worried me deeply, because I regarded it as an extremely grave development. I therefore immediately ordered my feelings made known through the Foreign Ministry.

[Question] Some people argue that Argentina has broken its word before. What makes you think that this will not happen again?

[Answer] Because it is such a serious matter, violating a treaty is unthinkable. Now then, I can assert that the Government of Chile has negotiated in good faith and is prepared to likewise fulfill the terms of the treaty. We are convinced, moreover, that Argentina will take the same admirable course.

In my judgment, a positive attitude is indispensable in addressing future relations between the two countries. The hatred and resentment that have hampered a permanent understanding must be put aside.

I attach paramount importance to relations with Argentina.

I want to state emphatically that deep-seated mutual trust is required to lay a solid groundwork.

[Question] Would you say that there was a real danger of war between the two nations in 1978?

[Answer] The Chilean Government received reports that it would be the victim of aggression in 1978. There was, in fact, a real danger of war. In the face of this situation I must state that I did my utmost to settle the dispute peacefully by keeping a "cool head."

Under those grave circumstances, the entire Chilean nation witnessed how the government handled the problem calmly and prudently, even at the most critical moments. I recall that I gave the Armed Forces strict orders to avoid doing anything that might aggravate the crisis or that might trigger fighting.

[Question] You are a military man and are responsible for safeguarding the country's sovereign rights. Would you have hesitated to declare war if that had been necessary?

[Answer] War is a very delicate matter, especially for those who by background and training realize the dire consequences it holds for both the attackers and the attacked.

Nevertheless, as I have said, Chile had no intention of "declaring" war. Now then, in the face of a de facto aggression, the reaction of any responsible leader is obvious: the legitimate defense of a country's sovereign rights is sacred, and in that event, no one could halt the course of events.

[Question] Do you think that history will judge your efforts in securing this Peace Treaty positively?

[Answer] I have always looked out for the good of Chile; I have served it for more than 50 years, and I was not going to let my country down at this momentous time. I enjoy the complete peace of mind that I have handled this ticklish dispute honorably, duly safeguarding my country's fundamental interests, as can be seen, I feel, in the treaty. Therefore, I believe that history will acknowledge what the situation was and will judge properly what we have done.

[Question] On the eve of the ratification of the Peace Treaty, you appeared on a television program and pointed out the horrors of war. What did you think the impact of a war between Argentina and Chile would be like?

[Answer] As I have said, I attach paramount importance to Chilean-Argentine relations. Thus, a conflict between the two countries would be like a civil war, in which fighting between brothers becomes dreadfully bloody.

All wars affect the entire population of a country for a long time. It takes two or three generations to erase the memory of one. Imagine what a war would have meant to our two peoples and to relations between our two countries. Therefore, as I told you, I put all of my strength and resolve into preventing a confrontation.

[Question] Do you think that the public really appreciates the importance of the Peace Treaty?

[Answer] Public and private reaction confirms my conviction that I have represented the consensus of my people. I am convinced that the people duly appreciate the fact that the dispute has been settled peacefully, that Chile's fundamental rights have been safeguarded and that the treaty has laid the groundwork for settling our possible differences peacefully at all times, thus initiating a period of effective cooperation and integration between Chile and Argentina.

As time goes by and the two countries learn how to use the tools that the treaty provides, the two peoples will appreciate the settlement even more.

[Question] World public opinion has reacted with praise for the negotiations between Chile and Argentina. Would you like the same sort of recognition as the transition to democracy begins?

[Answer] As always, the political bug eventually bites you. As I have indicated time and again, I believe that the road to full-fledged democracy is not built by seeking praise but by aiming for a stable future for our country, even if this brings unjust criticism on more than one occasion.

Those who criticize us will have to realize that democracy is threatened by communist totalitarianism and that in order to function properly it must resort to certain institutions that the democratic system itself provides for self-protection.

Our position on this is categorical. We feel that democracy must be endowed with the mechanisms it needs to defend itself against those who would use it to impose their collectivist structure and to destroy it. The opposite is acquiescing in the self-destruction of democracy. Certain pro-socialist groups are pressuring for an "orthodox democracy." This suits them because it would enable them, little by little, to gain ground until they eventually consolidate a socialist structure, which is extremely hard to undo. They and the communists are, of course, annoyed by a system that is truly committed to the values and institutions that safeguard freedom and democracy.

8743

CSO: 3348/661

ARGENTINA

NEW DEFENSE LAW TO INCLUDE NATIONAL DEFENSE CABINET

Buenos Aires CLARIN in Spanish 19 Apr 85 p 8

[Passages enclosed in slantlines printed in boldface]

[Text] /The Executive has sent the national defense bill to Congress for its consideration, it was officially reported yesterday. This bill would repeal Law No. 16,970, which was passed under the de facto government of Gen Juan Carlos Ongania, and other laws passed later that institutionalized the so-called "doctrine of national security."/

The initiative, which consists of /34 articles,/ proposes the /creation of a National Defense Cabinet/ that would serve in peacetime as well as wartime. It also proposes the establishment of /a Military Committee, which would function only during times of conflict./ These entities would be designed to /advise the president of the nation on strategy and on the military conduct of a war, respectively./

The structural reform of the Armed Forces is based on the criteria of /coordination and joint efficiency, with an express mandate to unify the functions, activities and services that are not inherently exclusive to one branch of the military./

Drafters of the bill drew on the experience of the war in the South Atlantic, which "makes it necessary to organize the Armed Forces in such a way that they can fulfill the constitutional objective of defending the nation against armed aggression from abroad."

For this purpose, /"the Armed Forces are clearly subordinated to the civilian government, and great importance is attributed to joint action, both in planning efforts and in the eventual implementation of military strategy."/

In addition, the initiative /respects in essence the principle of the separation of powers, and allows the National Congress to participate in decision-making within its purview,/ reserving to the National Executive Body (PEN) the function of directing the institutions and agencies that comprise the system.

The bill also calls for the /repeal of the current defense act, Law No. 16,970 and the laws that modify it, Nos. 19,276 and 20,194, and the mobilization act, Law No. 17,649./ It also proposes to /repeal several articles of the Civilian Defense Service Act, Law No. 20,318, and Decree-Law 15,385/44, which governs the actions of the National Security Zones Commission./

Repeal of National Security Doctrine

The message introducing this bill before the Legislature states that Law 16,970, drafted by a de facto regime, should be repealed because /"it has been used by military regimes to exercise control over decision-making by the president of the nation, preventing him from acting with complete authority."/

/"Perhaps the most devastating effect of Law 16,970, however, was the institutionalization of the so-called 'National Security Doctrine,'/ through the /National Security Planning and Action System,"/ it adds.

This system "was conceived and developed," it notes, "to support an authoritarian regime that defined 'per se' the 'vital interests' of the nation, given that there was little or no participation by society. /By confusing the security of the state with that of the government, it ended up tying national defense to the security of the political regime in power."/

The bill defines national defense as "the summ of all plans and actions necessary to prevent or overcome conflicts of any kind provoked by external aggression, in peacetime as well as in wartime, in order to provide a permanent guarantee of the sovereignty and independence of the nation, its territorial integrity, and its self-determination; /and to protect the life and liberty of its population, national interests, and the viability of the democratic and constitutional system."/

Two Agencies

The initiative calls for the creation of two agencies to advise the president: /the National Defense Cabinet and the Military Committee./

Cabinet: Characteristics and Composition

The Cabinet will assist the chief of state in /"analyzing conflicts and hypothetical conflicts and wars,/ and in /the adoption of strategy and the coordination of the necessary plans and actions/ to overcome such problems."

The Cabinet will be composed of the vice-president of the nation, the ministers of defense, interior, foreign relations, education and economy. The chief of state may invite other officials and individuals whose knowledge is considered useful, to participate in the Cabinet.

The necessary information and intelligence will be provided by the /National Intelligence Center,/ which will take orders from the president and will operate in accordance with the mission, functions and structures he gives it.

Military Committee

/The Committee will advise the president in his capacity as commander in chief of the Armed Forces, in all matters related to the military conduct of war./

/The agency will comprise the minister of defense, the chief of the joint chiefs of staff, and the chiefs of staff of the three branches of the military./ In this case as well, the president may invite other officials or individuals to join the committee.

The bill also sets forth the organs and missions of national defense, territorial organization and mobilization, and other general provisions.

Foundations

The message to Congress indicates that the initiative "was formulated bearing in mind that the reorganization of defense /involves reviewing the concepts of national sovereignty and the ideological delineations that led to the confusion of the national government with national defense."/

"Abandoning the notions related to national security means assigning the Armed Forces the specific role of establishing a deterrent capacity with a sufficient margin of security, based on the training of cadres and on a program of technological assimilation as a function of the operational requirements," the message states.

The underlying premise is that defense is one more component of national politics, and that it is influenced by the functioning of all areas of government. "Faced with the possibility of aggression, the entire country must respond as a whole, because responsibilities cannot be delegated during a dire emergency," it points out.

The bill states that it is up to the government /"to prevent or anticipate conflicts"/ by drawing up plans and strategies for dealing with them successfully, and /"within this sphere, the Armed Forces have an important role, but they are not the pivot around which national defense revolves."/

8926

CSO: 3348/645

ARGENTINA

ADEBA ISSUES ECONOMIC REFORM PROPOSAL

Buenos Aires LA PRENSA in Spanish 21 Apr 85 p 6

[Text] The Association of Argentine Banks (ADEBA) has submitted a study on modifications of the financial system to the budget and finance committee of the Chamber of Deputies. The study proposes that deposit guarantees be kept limited and bank concentration in a few solid bodies be encouraged, along with a policy to promote the increase in financial assets.

The ADEBA study indicates that this body advocates a financial system which "should serve economic development efficiently, constituting a basic part of the productive structure of the country, and increasingly serving the needs of the community within the financial system in terms of variety and breadth."

The study document says that "the largest volume of savings attracted by the financial bodies would be obtained with high yield, very low risk and short-term conditions, but it warns that what those who seek funds prefer is exactly the reverse in terms of time period and interest payments.

"Thus thought should be given to offering an opportunity to choose between various combinations of risk, time and yield conditions, leading to a higher level of participation," the document adds.

"Deposit guarantees," it goes on to say, "are a suitable mechanism for satisfying those who save with a lower rate of interest thanks to reduced risk, in relation to the choice of rates without a guarantee."

Farther on the document says that "the conditions under which the financial system has had to develop in recent years, and not the existence of unscrupulous businessmen alone, have caused the devastating effects upon it."

The ADEBA has also made it clear that another additional factor in instability has been the high rate of inflation with which the system has had to develop, which "makes it difficult to contemplate" the possibility of operation "without official safeguards."

The study then proposes that such guarantees be "against payment, partial and compulsory" and that they should only cover part of the large deposits.

It is also proposed that other banking operations, such as "acceptances," not be covered by state guarantees.

Where the excessive size of the financial system is concerned, the ADEBA has recognized that the phenomenon has been aggravated, since the current level of deposits is in real terms 46 percent of what it was in 1980.

This body advises that a gradual reorganization be encouraged, without any traumatic action.

The document also urges measures making it possible to channel funds from the market on which businessmen interact toward the institutional system, and it views policies tending to increase assets favorably.

Finally, this study, giving statistical justification, says that in the developed countries in the world, including some in Latin America such as Brazil, a process of bank concentration has been pursued with optimal results and large-scale economies.

5157

CSO: 3348/630

ARGENTINA

FORMER ECONOMY MINISTERS POLLED ON ECONOMIC POLICY

Buenos Aires LA PRENSA in Spanish 23 Apr 85 p 11

[Text] Former economic ministers and economists of various persuasions agree in "advising" President Raul Alfonsin and the incumbent in the Finance Palace, Juan Sourrouille, to pursue "realistic measures" in order to halt and reverse the accelerating economic deterioration, without taking "the political cost" into account.

Roberto Alemann, Domingo Cavallo, Lorenzo Sigaut, Alieto Guadagni, Miguel Broda, Roberto Lavagna and Domingo Stamati voiced their suggestions in a survey published by EL CRONISTA COMERCIAL.

Alemann urged the president "to take into full account the situation in which of inflation is rising at an increasing rate" and "to assess the political cost of maintaining this inflation or reducing it by getting at the causes."

He advised Alfonsin to "attract and appeal to domestic and foreign investors, as was done in Houston with the Texan oilmen."

"Postpone other government goals," he told the president, "including international ones, removing them from the local scene in order to focus fully on the anti-inflationary policy."

Alemann urged Minister Sourrouille "to reach agreement with the International Monetary Fund as soon as possible on new monetary and fiscal goals and to implement them without deviation of any kind."

He also advised that "priority be given to the elimination of extrafiscal currency issues for the financial sector," along with a "public announcement of the elimination of Central Bank rediscounts or advances to the financial system."

He told Sourrouille to "begin immediately to reduce the fiscal deficit as such, once the extrafiscal deficit had been rooted out through lowered expenditures, viable transfers to the private sector and increased tax collections."

Lorenzo Sigaut

Another former economic minister, Lorenzo Sigaut, advised the president to "give sustained encouragement and support to the achievement of the instrumental goals specified for the medium time range, seeking in addition to ensure more decisive and speedy implementation.

"I am trying to say," he added, "that your decisions must seek to promote action intermediary between gradualism (which has been pursued) and economic shock (which many recommend)."

Sigaut said that "the shorter the adjustment period and the more consistent the political determination to encourage private investment (domestic and foreign), the sooner we will be in a position to establish a context free of the current restrictions, which hinder the potential the Argentine economy still has and render it sterile."

The former economic minister advised Sourrouille to "suggest that a large part of the additional fiscal income should come from fuels," and said he should "make the president of the nation see that he needs to avoid a confrontation and seek conciliation and agreement."

Domingo Cavallo

Domingo Cavallo, a former president of the Central Bank, advised Alfonsin to "let the economic minister appoint a consistent team" and "consider criticisms and avoid accusing them in advance of fostering a coup."

He suggested to the incumbent in the Finance Palace that he "make the greatest possible effort to explain to the president how economic events may develop if certain measures are not implemented with conviction and consistency."

Alieto Guadagni

Alieto Guadagni, who was formerly energy secretary, reminded Alfonsin that "Peron said that the only truth is reality, and the best asset we have is the people," and he told him that the country expects a rousing and clear message from its president, based solely on the truth of economic facts.

"The country and its people," he added, "are ready to make the necessary sacrifice to safeguard our future as a nation, but although it may be hard, they want it to be socially fair."

He then suggested that "the elimination of the fiscal deficit be given priority as the guiding action of your government," and that the president "make a historic commitment to reject, as president, the inflationary financing of public expenditures."

Guadagni told the minister of economy to "demand total support from your president for crushing inflation speedily," and suggested that he "set forth with clarity and precision a concrete program which will be technically consistent in the fiscal, monetary and income sectors."

Miguel Broda

Economist Miguel Broda advised the president to "try to avoid making the economic policy increasingly political and ideological," and he advised him to "listen to the messages from the friendly countries in Europe, which are continually insisting on the need to put our economy in order."

He told Minister Sourrouille that he must "understand that inflation can be an issue which can be analyzed at 1 percent per month, but with 30 percent inflation, it is the monetary and fiscal causes which must be studied."

Roberto Lavagna

Justicialist economist Roberto Lavagna suggested to Alfonsin that he "require that the economic minister present you with 'realistic' and therefore 'difficult' economic policy alternatives, and exclude the proposals which do not involve any political cost in the clash with sectorial interests."

He told Sourrouille that "it is you who are responsible for telling the president things much like this," and he said that "anyone not prepared to combine consistency with authority and efficiency should not assume this responsibility."

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CSO: 3348/630

12 June 1985

BELIZE

BRIEFS

SEIZURE OF HONDURAN BOAT--Magistrate Lennox Gladden, presiding over Punta Gorda's Court, ordered two Honduran fish boats to be seized and their catch of 400 lbs of fish to be confiscated along with all fishing equipment. Both crews were charged and fined a total of \$7,000 for illegal entry and fishing in Belizean waters without the valid licence. The vessels, "Holanda" and "Francia" (RH23214, RH23217) are registered in Honduras and belong to the Omoa Fishing Cooperative. Officials of the Cooperative were expected to come to Belize to negotiate the release of the vessels which were caught poaching near the Sapodilla Cayes. [Text] [Punta Gorda TOLEDO STAR in English 28 Apr 85 p 1]

WORLD BANK LOAN--A \$2.2 million loan from the World Bank will enable the Belize government to widen the Northern Highway from the Haulover Bridge to the Belize International Airport. Reliable reports say that CISCO Construction Company under the direction of Mr John Woods has been awarded the contract to widen the approximately five miles of road, and that the work is due to start up immediately. [Text] [Belize City THE REPORTER in English 28 Apr 85 p 8]

UNION DISPUTE--Belize City, Fri, April 26--Our reports say there is a growing dissatisfaction by its members with the administration of the Christian Workers Union. A member of the Union told Amandala that decisions are taken by the President and Secretary without consultation with the other members of the executive and against the expressed wishes of the general membership. The latest evidence of this behaviour, he said, is the cancellation of the traditional Labour Day Rally of longshoremen and stevedores. [Text] Belize City AMANDALA in English 26 Apr 85 p 1]

CSO: 3298/670

BOLIVIA

'ILLEGAL' ACTIVITIES OF U.S. OIL COMPANIES REPORTED

PY011855 La Paz Radio Illimani Network in Spanish 1700 GMT 1 Apr 85

[Text] The revision of the contracts for operating in Bolivia, signed by the transnational companies Tesoro and Occidental, has again become news. It has been announced that in the next few hours the commission entrusted with the revision will release to the media a report sent by the U.S. Government containing details of the irregular behavior of the Tesoro Company.

The operation contracts, which were signed during General Hugo Banzer Suarez' government, are harmful to the interests of the nation, because so far they have caused losses to the state petroleum company totaling \$180 million in payments: 11-percent royalties to the oil-producing departments and 19 percent taxes to the National Treasury. To this should be added the loss of \$97 million because of the surcharge now being paid to Tesoro and Occidental by the Bolivian Government Oil Deposits [YPFB] in order to buy their petroleum production, which is then sold on the national market at prices which are much lower than the purchase price.

As will be recalled, the four operation contracts of the transnational Tesoro and Occidental Companies for exploiting petroleum in this country were signed during Banzer's government and contain clauses totally favoring the two companies and harmful to the interests of the country, to which end the companies had recourse to illegal methods, such as the bribing of Rolando Prada Mendez, general manager of the YPFB at that time, who received \$1 million to draw up the contracts.

In conclusion, it was reported that the report, which will be published this afternoon, contains details of Tesoro activities in other countries where the company has acted illegally, using bribes to achieve its goals.

CSO: 3348/628

12 June 1985

BOLIVIA

BRIEFS

VISA ACCORD WITH FRANCE--Bolivia and France yesterday exchanged notes abolishing the requirement for visas for French travelers to Bolivia and vice versa. From now on Bolivian and French tourists will no longer need visas to travel from one country to the other. [La Paz PRESENCIA in Spanish 30 Mar 85 p [no page number received] PY]

AGREEMENTS WITH PANAMA--Bolivia and Panama have signed in Panama City two important agreements, one of them is cultural, dealing with the exchange between libraries, academies, and scientific and cultural institutions of the two nations, and the other one is on air transportation, designed to strengthen the friendship between the two nations. [La Paz EL DIARIO in Spanish 22 Mar 85 p 5 PY]

MINERAL EXPORT FIGURES--La Paz, 8 Apr (AFP)--It was officially reported in La Paz today that 33 percent of Bolivian mineral exports between January and September 1984 were purchased by the United States. Mines and Metallurgy Ministry reported that during this period the United States purchased from Bolivia 12,300 tons of minerals worth \$93.3 million. The ministry went on to add that during these 9 months, Bolivia sold 27,900 tons of minerals worth \$284.5 million. The breakdown is 5,130 tons of white tin (melted in Bolivia), 39 tons of tin concentrate, 1,255 tons of lead, 865 tons of zinc, 1,148 tons wolfram, 5 tons of silver, 190 of gold, and assorted alloys for the remaining tonnage. In Latin America, Argentina has become the main buyer having spent \$2.5 million, followed by Chile, Brazil, Peru, Colombia and Venezuela. As for Europe the main buyers were the Soviet Union, Czechoslovakia, the FRG, Romania, and Belgium. [Text] [Paris AFP in Spanish 1505 GMT 8 Apr 85 PY]

SANTA CRUZ OIL PIPELINE--Santa Cruz, 5 Mar--Bolivian Government Oil Deposits [YPFB] is building an oil pipe 130 km long to carry oil condensate from the oil fields in the northern part of the department of Santa Cruz, that is the Yapacani region, to Caranda. The overall cost of the oil pipe will be \$7.5 million. [La Paz PRESENCIA in Spanish 6 Mar 85 p 5 PY]

YPFB OIL WELL--Bolivian Government Oil Deposits [YPFB] has found oil in well designated La Pena No 50 at the depth of 2,685 meters. The new oil well will produce per day 477 barrels of oil and 420 million cubic feet of natural gas. The well is located north of Santa Cruz. [Excerpt] [La Paz PRESENCIA in Spanish 22 Mar 85 p 1 PY]

EXCHANGE ACCORD WITH USSR--Two members of the USSR Education, Higher Schools, and Scientific Institutions Workers Union are currently visiting Bolivia to get acquainted with the Bolivian education program in order to arrange the first exchange in the information and professional literature field. During their stay in the country, the Soviet officials have collected information on the Bolivian education system from the Education Ministry as well as from rural areas. [La Paz PRESENCIA in Spanish 24 Mar 85 p 7 PY]

CAF LOAN GRANTED--Bolivian Ambassador to Venezuela Dr Walter Guevara Arze and CAF [Andean Development Corporation] Executive President engineer Jose Cardenas have signed at the CAF offices a contract for a \$10.5-million loan for a national transportation program in Bolivia. [Excerpt] [La Paz Cadena Panamericana in Spanish 0000 GMT 12 Apr 85 PY]

CSO: 3348/628

BRAZIL

BRIZOLA CONDITIONS PDT SUPPORT ON 2-YEAR PRESIDENTIAL TERM

Brasilia CORREIO BRASILIENSE in Portuguese 18 Apr 85 p 7

[Text] "Governor, will you support the New Republic government?"

"We do not plan to participate in the government, but this does not mean that we will not provide it with support. Entirely, obviously, without abandoning our consistency."

"But at the beginning of the government term, it was said that you would be the greatest opposition force."

"Between a comment and the reality there is a vast difference."

Speaking slowly, Rio de Janeiro Governor Leonel Brizola made it clear yesterday, as he left the Planalto Palace, that he is prepared to support the government of Jose Sarney on condition that his term of office is limited to a transitional period of 2 years, with presidential elections being held next year, to coincide with the Constituent National Assembly. Brizola traveled to Brasilia especially to assure Sarney that the PDT [Democratic Workers Party] does not intend to radicalize the political process. "We are committed to strengthening the civilian regime and, since the passing of President Tancredo Neves, you represent all of this," Brizola told Sarney. "I hope that everyone will do me justice. I did not ask to be president. Now I will do everything to merit the support of all of the opinion factions in the country," Sarney responded.

Cautious Tone

In his talk with the president, Brizola took pains to show the caution the moment requires. "We need to get through these coming days. Tancredo Neves is still alive. The discussion is on hold," he said. "We feel that the moment is extremely favorable for the PDT thesis concerning a transitional 2-year term. We will wait only until the country emerges from this climate of upset before launching an open struggle in the National Congress," the leader of the PDT in the Chamber, Deputy Nadyr Rossetti, who did not have access to Sarney's office, said by way of supplement.

Jose Sarney repeated a statement which impressed Brizola several times. "I will occupy the presidency with the concern of serving the country, seeking to be an arbiter and not cultivating personal interests." "This statement, repeated by the president several times, impressed me considerably," the governor of Rio admitted.

Another guarantee Sarney gave Brizola was that his government will not discriminate against anyone. "We, on the other hand," Brizola said, "do not intend to radicalize the situation, as some people have sought to suggest. We have been inoculated against radicalism. We want to be a constructive force, open to discussion and dialogue."

Although the initiative for the meeting came from Brizola, he approached the Planalto Palace meeting with timidity. "We asked for the meeting, but we did not seek to initiate the talk. This should come from the host," he said. However, this did not fail to happen, and Sarney and Brizola talked for exactly 70 minutes.

Forgetting politics for a moment and thinking as a governor, Leonel Brizola did not waste the opportunity to ask Jose Sarney to release funds allocated for Rio de Janeiro which have been locked in the drawers of the Planalto Palace since the days of the Old Republic, as well. "Our main concern is the rehabilitation of the Rio-Santos Road," the governor said.

Before proceeding to the Planalto Palace, Brizola lunched with PDT federal bench deputies at a barbecue restaurant in Brasilia. At the end of the afternoon, the Rio governor returned to the Chamber of Deputies and, at a meeting of the bench deputies, he reported on the talk he had had with President Jose Sarney, departing again for Rio de Janeiro immediately thereafter.

5157

CSO: 3342/156

BRAZIL

HEALTH OF SARNEY, POSSIBLE FUTURE PRESIDENTIAL CANDIDATES

Sarney's Checkup

Sao Paulo VEJA in Portuguese 24 Apr 85 p 122

[Article by Helio Teixeira: "A Checkup on Sarney"]

[Excerpts] In recent times, without the Brazilians knowing exactly, although they suspected it, coronary blockages and other ills which overcome physical resistance, have climbed the ramp of Planalto Palace. For those who have already been governed temporarily by at least one madman, that perhaps is nothing new. Now, however, there are 130 million Brazilians depending on the decisions of a man with a complete and healthy mind and not on crack-pots, sclerotics or simply gentlemen in poor health.

The medical profile of President Jose Sarney is marked by some warnings. In January 1982 he was admitted to the Santa Casa do Misericordia of Sao Luis in Maranhao, with problems of hypertension after having taken a blood vessel dilator as a precaution. Later he was admitted to the Heart Institute of the Clinics Hospital in Sao Paulo--the same one where Tancredo Neves was admitted--where he was given a battery of tests ranging from simple and continuous electrocardiograms to tomographies and carotidangiography. Nothing was found.

Upon assuming the responsibilities of president of the republic, the time came for Sarney to submit himself to a checkup. That is not asking too much. After all, any worker, when he changes jobs, is subjected to medical examinations for confirming whether he is in a condition to do his job. Ordinary citizens subject to tensions resulting from the shouting of the boss or from rapidly emptying pockets because of inflation--or even from the dread of seeing their country governed from Intensive Care Units--seek to safeguard their future by submitting themselves to routine and revealing medical examinations.

For a nation unaccustomed to good examples, it would be encouraging to see the president of the republic submitting himself to doctors to learn his real state of health. Such a precaution is in no way offensive to whoever takes it and in truth it is a right of the taxpayers. And everyone would gain by it. On one hand, the Brazilian people, who have already become tired of living routine cycles of tension, would be calmed. On the other,

the president himself would at least be rid of those fears. It is time, after all, that the country be released from the hospital. There is not the slightest doubt that a checkup at any time from 6 months ago to this date would have prevented the Calvary of the president-elect and would have saved the country from infinite harm of all types.

Health of Presidential Hopefuls

Brasilia CORREIO BRAZILIENSE in Portuguese 13 May 85 p 4

[Article by Antonio Gomes, Estela Landim, Tereza Cristina Pimenta and Valgenio Rangel: "How goes the Health of our Presidential Hopefuls?"]

[Text] Now that Brazilian citizens may finally vote for president, could it be that they do not have the right to know how their candidate's health is? After all that happened with President-Elect Tancredo Neves, the people learned about diverticulities, leiomyoma and other terms which were previously restricted to medical language and they became concerned about the medicine of the country. The president of the Brazilian Medical Association, Nelson Proenca, in addition to wanting to defend the group by preparing a report on the illness, treatment and death of Tancredo, also wants to insure that every candidate from now on will submit to a checkup. Direct elections are already guaranteed, but how is the health of our probable candidates to Planalto Palace?

Examination of the Iris Confirms Problems

The presidential hopefuls may be very well, but for naturopath Gurudev Singh Khalsa, a specialist in iridology (examination of the iris), all of them need to worry about their health, particularly Senator Fernando Henrique Cardoso and Minister Aureliano Chaves. Gurudev states that if he does not change his life style, Fernando Henrique will soon have serious renal problems and that Aureliano Chaves, much more than a candidate for president, is a candidate for a heart attack. Of all of them, Lula and Iris Rezende are the ones in best shape. Dr Ulysses, despite a good physical constitution, is somewhat tired and would no longer be able to withstand a strong emotion such as that caused by the illness and death of President Tancredo Neves.

For those who do not believe in naturopathy, it could appear to be unimportant, but Gurudev, even without making a more in-depth examination, which could be done by examining the iris, asserted, for example, that Senator Fernando Henrique has gall bladder problems. Looking over a collection of photographs of the candidates, Gurudev separated one and said emphatically: "This one here must have been very Bohemian and if he continues living like that he will soon have serious kidney problems." The most obvious sign to the naturopath are the circles under the eyes of the senator, which every day become more accentuated.

The ideal thing would be an examination of the eye, but since that was not possible, Gurudev agreed to speak on the health of the probable candidates to succeed Sarney, examining the facial expressions in the photographs. (Even before reaching the last one, when he reached the photograph of Goias Governor Iris Rezende he said enthusiastically: "This one here surely must be the healthiest of them all." Actually, according to his diagnosis, Iris and Lula are far ahead as far as the competition in health is concerned.

Minister Aureliano Chaves has a "short fuse." However, if it were only the fuse, everything would be all right. The worst thing is the heart, which is also on a short fuse. According to the specialist, his main problem is cardiac. He is a possible candidate for a thrombosis in his limbs or an infarct of the myocardium. Moreover, he has liver trouble and his intestines are not very well either.

At 69, the president of the Chamber, Ulysses Guimaraes, even though he has lasted well, Gurudev says he will not stand up to very strong emotions. Ulysses has a good physical constitution but his kidneys are tired from so much excitement and they are congested, not to mention his liver problems.

Governor Franco Montoro is a candidate for diabetes, basically nervous and the poor functioning of his kidneys makes him a suspicious person. In succession, he also suffers from gall bladder, liver, pancreas and kidneys. An explosive temperament also prejudices the governor of Goias, Iris Rezende. "If people do not support him, he runs over them," says Gurudev. However, that is not the only ill he suffers. He has liver, gall bladder and intestinal troubles.

In addition to Aureliano Chaves, Governor Leonel Brizola is also a candidate for a heart attack or a degenerative kidney disease. In his favor is a good physical constitution, but he also suffers from the kidneys and liver. The deep circles around the eyes of Fernando Henrique attest to the fact that he has a problem with his gall bladder or large intestine. The advantage this leader has is his liver, otherwise he would have already had serious complications. Looking attentively at the picture of Fernando Henrique, Gurudev says that he is suspicious and insecure. "He gives the impression that he is a calculating person but deep down he is very insecure," says the naturopath.

Minister Marco Maciel is arbitrary. To Gurudev, he likes to appear as being thoughtful but is highly arbitrary and in matters of health he tends to be short of breath. According to the specialist, the minister asks much of his brain but it lacks oxygen, which could cause him problems. In addition to that, he suffers from the intestines and he has a hypoactive pancreas.

Leonel Brizola: Frequent Checkups

Colds and frequent trips to the dentist are the most frequent health problems of Governor Leonel Brizola, considered by his closest friends to be a man in excellent physical condition, although he does not pay special

attention to staying in good shape, such as frequent checkups, for example. The only time he has had to be admitted to the hospital after he assumed the governorship of Rio, was early last year when he was stricken by an illness caused by a kidney stone which he passed days later.

After he recovered, in talks with newsmen the governor said the stone was no bigger than a grain of rice but the pain was horrible. He joked, saying that the tradition of the Brizolas is to live for more than 90 years. The treatment to which the governor was subjected was supervised by the state secretary of health, Eduardo Costa, his friend since the times in which both were exiled in the United States. Shortly thereafter, Brizola had conjunctivitis (eye inflammation).

Brizola is a man of moderate habits. He eats and sleeps little. During the time he was in exile, his friends do not recall any times when he was ill. It was also abroad that he acquired the habit of drinking good wine.

The governor does not usually take medicines and generally treats his colds with aspirin. His favorite meals of Rio Grande do Sul cookery are rare meat, rice, a little manioc meal and a little dessert. The habit of drinking mate tea has not been followed with the regularity one might expect from a Gaucho, not exactly because of the hot climate of Rio, but because of the lack of time for preparing it and sipping it slowly.

Iris Rezende: Envidable Willingness

Health and age must be the positive points for Goias Governor Iris Rezende Machado in a probable electoral campaign for the Presidency of the Republic. He enjoys good health; he does not smoke and drinks only socially and moderately. Iris is 51 and despite the fact that he does not physical exercise, he is in good physical shape and has an enviable willingness to work. He sleeps little, he goes to bed late and invariably wakes up at 0500.

Iris, who has a brother who is a doctor and on the staff of a hospital in Goiania, rarely seeks his professional services. He has never had a serious health problem and at the most he complained about hoarseness and frequent colds during campaigns, when he was forced to make several daily moves in the interior of the state with differences in climate, dust clouds and sometimes rain.

Strong Will

Because of religious reasons, Iris was always moderate in terms of smoking and alcohol. During the campaign there was a time in which he smoked a lot, up to three packs per day, but that was because of tension. Afterward, in a great demonstration of strength of will, he banished cigarettes from his life, almost a year before the elections. He was never seen again with a cigarette between his fingers. A member of the Christian Evangelical Church, the governor of Goias drinks very little and only on special occasions. To friends who visit him in his country home, a beautiful house less

than 20 kilometers from the center of Goiana, he usually offers them an authentic homemade rum, made in Goias. Those persons will see Iris take a small drink as an apertif at the most. As far as eating habits are concerned, he prefers home cooking and is considered a hearty eater.

Ulysses Guimaraes: Good Health at 69

The problem for Dr Ulysses is time, which does not stop, and he is already 69, but he cannot complain about his health. Those who know him well know of no serious problems, recalling only stress during the second half of 1983 which forced him to withdraw from the Chamber of Deputies and the presidency of the PMDB [Brazilian Democratic Movement Party] for a month. The fact that he eats very well; he relishes a succulent steak even late at night, is an indication that he does not need to worry about diet.

The president of the Chamber also likes well-seasoned food, a flavorsome hash. To eliminate fat, he drinks a glass of Poiré, a pear liqueur, after meals as an aid to digestion. He does not skip desserts, particularly chocolate ice cream. He neither smokes nor drinks much. To stay in shape he practiced "Cooper" before moving to the official residence on the Ministers Peninsula, where he can now take long walks in the broad gardens.

Franco Montoro: He does not like Medical Examinations

Governor Franco Montoro is one of the PMDB presidential hopefuls who most craves to compete for the succession to President Jose Sarney. At the same time, he is one of the men from Sao Paulo who has what is considered an iron constitution and even "healthy as a horse," as is said by his closest advisers.

Franco Montoro is not a man who is constantly going to the doctors, and as is said in Bandierantes Palace, the governor does not like to hear about medical examinations for himself because he believes that he is in the best of health. Those who live around Franco Montoro say that his physical condition is Herculean. An exaggeration, naturally.

Montoro does not drink or smoke or live a sedentary life. Close advisers recall that during the 1982 electoral campaign the then Senator Franco Montoro travelled to more than 12 cities in a single day and his weariness was minimal compared to that of the other members of his party. At that time there was the so-called "rotation of advisers" who accompanied the candidate to the governorship of Sao Paulo. The advisers could not keep up to the pace of the candidate.

He always was accustomed to running and engaging in sports. He lives near Ibirapuera Park and he always goes there to run early in the morning and he even has been seen doing "Cooper" with Orestes Quercia, when they were still candidates. When Franco Montoro is asked where he gets so much stamina, he jokes saying that he "takes a candidate injection."

The Montoro family is also accustomed to playing beach soccer at Sao Sebastiao at Praia das Cigarras. There the family is accustomed to spending the summer season and that is where Franco Montoro plays football. He played in the junior club of Santos F.C. although he is an ardent fan of Corinto. His position in the games is always center forward.

Even though he is the governor of the state with many privileges deriving from his office, the governor of Sao Paulo tries to stay in physical condition. He likes to walk and whenever he can, during trips to inaugurations of projects in the interior, he walks as much as possible. He also likes to sunbathe.

In the morning he tries to eat a breakfast of fruit--he likes bananas--and he has no specific diet. He eats everything because nothing disagrees with him, nothing excessive. He only drinks socially and even then he prefers a bottle of guarana to a shot of whiskey. When dining socially, he will drink wine but only a limited amount. The only problem he has is that he is somewhat forgetful and sometimes mixes up the names of persons, cities and other names.

Aureliano Chaves: War on Sugar

At the age of 20, Aureliano Chaves posed for photographs exhibiting strong muscles and the figure of an athlete. Today, several kilos overweight, the minister concerns himself with diet and has declared war on sugar. That is the reason for comments about diabetes, but his closest advisers assert that it is only for staying in physical condition. The story of diabetes was also brought up at the time when Aureliano was operated on for the excision of a subcutaneous abscess located on the abdomen. The surgery, performed on 25 December 1982, left the then vice president of the republic in his brother's hospital in Belo Horizonte for 2 months in a difficult recovery.

And it was not only diabetes. There are those who even now do not believe Aureliano had an abscess on his abdomen. There were many stories about an alleged fight he had with his son in law, who supposedly shot him, almost killing him. It was also Aureliano himself who told the press while still in the hospital: "Sometimes life is like that, suddenly a person takes a shot below the water line."

Despite all that, however, the minister today does not appear to have health problems which would hinder his campaign for the presidency, which he has already initiated. He has regular examinations, because not too long ago he suffered a broken leg when he fell off a horse. Even though he is not a naturist, he prefers juices and fruits. There must be no lack of papaya, orange juice and large amounts of tea. At 55, the minister still practices judo, his favorite sport. He does not smoke and drinks no alcoholic beverages.

Marco Maciel: Working Without Rest

Of all the presidential hopefuls, Minister Marco Maciel is one of those who does not worry about the scales, not even to learn whether he has gained a few kilos more, since he pays little attention to food. In these 2 months as chief of the Ministry of Education, he has only used the pantry service five times to ask for sandwiches or orange juice, despite the fact that he does not always go out to lunch. His greatest consumption is pure water. He only drinks alcohol on rare occasions. His wife Ana Maria attests to his good health. She says she has no reason to worry about even the possibility of simple stress, "He is very well, if he were not, he would not be able to stand that pressure."

In addition to practically not eating, the minister of education sleeps very little. Newsmen are no longer even surprised when he schedules interviews for 0200 or 0300. He never leaves the Ministry before 2200. However, the few hours of sleep are well used, says Ana Maria, because Marco Maciel has the incredible capacity for forgetting all problems when he gets ready to sleep.

According to Ana Maria, it does no good to pressure Marco Maciel. He is a very well balanced person, who manages to resolve all problems without becoming agitated, with the greatest calm. It seems the minister never had serious problems of health nor has he ever been subjected to surgery. He is 45 and does not smoke.

Luis Inacio Lula da Silva: Good Shape and is Concerned About Staying That Way

Luis Inacio Lula da Silva, national leader of the Workers Party [PT], is the natural candidate of the PT to the Presidency of the Republic. He is a politician in good health and has never had an operation. He was subjected to surgery accidentally while still a boy when he lost his little finger of the left hand in the lathe of the metal shop where he worked.

Lula, however, unlike Franco Montoro, admits he is more careful about his health and every once in a while he has a checkup. The last one, 3 months ago, was scheduled by his wife Marisa and he even had a cardiological examination. Everything was normal with the health of the PT leader.

Overweight is the thing that worries the PT leader. That is why he is now following a diet on his own account. He weighed 94 kilos and his ideal weight is 80 kilos. He avoids eating sandwiches and he tries to eat vegetables and eats lightly as a general rule.

Lula likes to sleep but he goes to bed late. He always wakes at 0400 or 0500, at which time he goes to the factory gates to make speeches to the workers. This happens frequently. When he has time in the mornings, he eats a roll and an egg and a cup of coffee with milk. However, since he is always in a hurry because of the time, Lula drinks a single cup of coffee and takes off for the ABC factory gates.

His favorite drink is a good shot of rum. He does not have much liking for whiskey or champagne. They say he drinks socially. As for cigarettes, Lula Inacio smokes a pack a day, at most two. He no longer engages in sports much because he has little time these days. When he could, he played soccer and recently was trying to ride a bicycle to help him lose weight, however the complications of political life are also preventing that activity of the national president of the PT.

Fernando Henrique Cardoso: He Neither Diets nor Exercises

At 53, Senator Fernando Henrique Cardoso appears not to worry about good health. He has nothing to do with diets, physical exercises and plenty of sleep. On the contrary, he likes good whiskey and he smokes considerably. Persons closest to the senator assert that despite all that he is in good health and there is no reason for concern. The two most serious problems he has had were appendicitis and a gallstone, both resolved by operations. Nothing very serious.

8908

CSO: 3342/172

BRAZIL

IRRESPONSIBILITY OF DEBATE ON 1987 DIRECT ELECTIONS VIEWED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Apr 85 p 5

[Article by Carlos Chagas]

[Text] A discussion which at the very least is irresponsible began in Brasilia this week. The participants were a few individuals in the PMDB [Brazilian Democratic Party Movement], many in the PDT [Democratic Workers Party] (which still leaves the PMDB faction in the majority), and even, ironically, PDS [Social Democratic Party] leaders. The issue is moving up the presidential elections either to the end of 1987, as soon as the work of the National Constituent Assembly is completed, or even earlier.

The irresponsibility is in the form, not the content. Obviously, the entire nation desires, as it has in the past, the right to elect the president of the republic. Especially now. What is not easy to understand is how one can hope, in this surge of activity, to establish parameters which would go against basic commitments which outrank those of the Democratic Alliance, which already had a broad majority within it, although, incidentally, without the participation of the PDT or the PDS. For Tancredo Neves and the PMDB and PFL [Liberal Front Party] leadership could not have been clearer in their agreement, a preliminary for others, not written down but also established. Before the fatal truth about the president could be known, it was agreed by him, the parties, the armed forces and other sectors that the present mandate would be a 4- and not a 6-year term, as the Constitution provides, but never less. And this despite the fact that the National Constituent Assembly must meet in 1987. It is sovereign, but more or less so. There has even been theoretical discussion of the possibility that its members might nullify the agreement and decide on early elections. After all, these members will have been summoned to serve by a stable and constitutional government which has a mandate. They will not be the product of a rupture in the preceding legal order nor of chaos. Therefore they, and only they, can decide. Later we will know who they will be and how they will meet, since they will only be elected in November of next year. Under no circumstances can we know now, and much less through those who at the most are candidate constituent assembly delegates and cannot provide the slightest certainty that they will be seated in the assembly. Surprises are likely to occur in terms of representation.

The irresponsibility does not lie solely in this haste, occurring in particular in the midst of the Tancredo Neves drama and the national anguish. There are deeper roots. The hasty pseudoconstituent assembly members forget that another team is in the field, one which was apparently defeated but has returned to its own sector, in more orderly fashion. And bringing its own working equipment, which does not include athletic shoes or shorts or balls. The military has had to swallow a great deal, but it is beside the point today to issue value judgments about its conduct in the past 21 years. Obviously, one must regret its undue interference in the political and institutional life of the country, its involvement in affairs which were not its business and the failure of its so-called revolutionary government. But the military will not return cowed or disorganized to the accompaniment of a refrain of horror or "every man for himself." They will return bitter but organized, singing patriotic anthems and accompanied by martial bands. Upset, frustrated but therefore united--and wary, taking the term more in its sense of caution than forewarned. All is well, times have changed, the moment has come to look toward the future and to build something new, but...

But what lies before us is obvious. Former president Ernesto Geisel commented just this week to Paulo Bellotti, the director of PETROBRAS [Brazilian Petroleum Corporation] and his old friend, that the military will not allow the shortening of Jose Sarney's term of office if his replacement as the successor to the president becomes a fact. They would agree to a reduction of the term of office from 6 to 4 years, but it would be unwise to speak to them of 3 years, much less 2.

More than obvious indications have been provided by the minister of army, General Leonidas Pires Goncalves, on the successive occasions on which he has spoken of military fidelity to the Constitution. Nor will it be necessary to mention his action on the early morning of 15 March, when he dispelled any doubts about acceptance of the installation of Jose Sarney, precisely for the purpose of recalling the constitutional commitment. Any first-year student, provided he has truly studied well, knows that this commitment also involves changes in the constitutional text prior to the Constituent National Assembly, through the use of the derivative authority which all legally installed congresses have or which the Constitution provides. But between the legal provisions and the presence of the military, there is something taught only by experience, or rather something which is much easier for those who have had the experience to understand--the limits. And the limits the armed forces have set themselves are clear. An end to the revolutionary regime or the revolutionary process, yes. The facts have already made this plain. And acceptance of the New Republic as well. After all, it gave the military the justification they were awaiting for withdrawing from politics after 2 decades of failure. But when it comes to outrage or skipping stages, no.

It is necessary to speak more clearly. Direct or even indirect elections prior to the time established via a much broader political pact than the document signed by the PMDB and the PFL on 7 August--not a chance. And for a clear (to the military) reason: the climate is wrong for acceptance of the engineering candidate, if proposed this year, next year, or even in 1987. After 4 years, who knows, even if the hope (theirs) is for the eclipse of

Governor Leonel Brizola. Or whoever appears like him or comes from the same sources or origins.

The level of theory and ideas is one thing, and the level of facts and reality is another. It is not because of the turmoil of the electoral campaigns, earlier or held later, that the military will rebel. They would be in a position to tolerate, as they already were and did throughout 1984, both verbal attacks and promises that accounts will be settled, justly or unjustly. They know very well that it will take time for the public to absorb them just as it did until they began, after 1964, to overturn the regime and impose authoritarian practices, to manage the state as if it were their own, even overlooking the practice of corruption, to say the very least. It was not the military establishment, it was not the armed forces as an institution, which acted thus. It was bad leaders, naive leaders, but to such an extent that the final product is now the same. In the end, some confused one thing with the other. What there can be no confusion about, however, is the reality: the irresponsible action, on the one hand, which will inevitably awaken an equally reprehensible reaction, on the other. Time has always been needed for everything.

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CSO: 3342/156

BRAZIL

MILITARY TO AVOID SENDING 'MESSAGES' TO POLITICIANS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Apr 85 p 5

[Article by Helio Contreiras]

[Text] Rio de Janeiro--The military ministers have already decided to pursue a new line, involving profound changes, and reflecting identification with the basic principles of the New Republic, military advisers in Brasilia announced yesterday. The predominant trend now, according to these same sources, will involve avoiding the sending of "messages" to politicians, which was so common up until the last government.

In the order of the day for 22 April, the Brazilian Air Force will note the extensive participation of the First Pursuit Group in the battles in Italy during World War II, but there is no "note" for the political leadership.

In the messages for 31 March, there were no "notes," which the military ministers now view as needless, except in very special cases, when it may be necessary to make the position of the armed forces clear. In this situation, however, there will be no desire to send a "message" or a warning, which was also common in the past, but rather to define a position.

For the first time, in these past 25 years at least, the military ministers will sign a single order of the day, that for 8 May, when the 40th anniversary of Brazilian participation in World War II, involving responsibility for the navy, army and air force, will be commemorated.

The joint order of the day will clearly show that there is identification among the military ministers of a political and professional nature. First and foremost, with a view to maintaining confidence in the civilian leadership and avoiding interference in political decisions, which involve the armed forces only in connection with their commitment to respect the Constitution and the established powers and authorities.

The definition of the mission of the Brazilian Air Force provided by the air minister, Brigadier General Octavio Moreira Lima, when formally invited by President-Elect Tancredo Neves to speak to O ESTADO at the Galeao Air Base, reveals the state of mind of the present military ministers.

"We want to ensure support of the president of the republic so that he can carry out the peaceful transition and the strengthening of the democratic regime he proposes. We will respect and defend the Constitution, the institutions such as the National Congress, and the established authorities."

The position revealed in the words of the air minister is adopted by the minister of navy, Admiral Henrique Saboy, the minister of army, General Leonidas Pires Goncalves, and the head of the Armed Forces General Staff (EMFA), Admiral Jose Maria do Amaral Oliveira.

President-Elect Tancredo Neves had a rare sense of the Brazilian military reality, as analysts in the military sector in Rio, Sao Paulo and Brasilia recognize, in choosing his military ministers, based on the criteria of unity and identification with the New Republic and change.

The interview granted by the minister and chief of the National Intelligence Service (SNI), General Ivan Souza Mendes, may come as a surprise within the history of that organization, but not in the history of the general himself, who never cultivated radicalism under the "Old Republic."

Ivan Souza Mendes, as well as the minister and chief of the Military Household of the Presidency, General Rubens Bayma Denys, have already made plain their identification with the principles of the New Republic, including political and institutional improvement, change and stability, as already clearly defined by President-Elect Tancredo Neves on various occasions.

There is today a new style in the conduct of the military ministers, which was viewed as something which could not occur in the country when general officers in Rio informed O ESTADO of it after the choice of the new ministers had practically been confirmed.

The right to change may even allow the reformulation of some projects which had already been regarded as finished. The question of the purchase of the Super-Puma helicopters, for example, may become the focus of a still deeper study, to the point of being entirely reviewed, if possible.

The reappointment of Brigadier General Theodosio Pereira de Souza to coordinate the Sao Paulo-Guarulhos airport project, for example, showed the priority granted to the greater interests of a state such as Sao Paulo, outweighing possible personal interests, which should not count in an institution, because they only weaken it.

Despite the possible necessary changes, the stress on cohesion is maintained on all levels, because the changes should not be allowed to create difficulties, as one military minister said this week, since they are not being made as a function of personal interest, but to the benefit of the institutions and the country.

The emphasis on the nationalization of military equipment is also being maintained, naturally, among other things because it has already made it possible to make plans for the domestic production of innumerable basic tools and weapons, planes and warships viable. One of the goals now is and must be

the mastery of electronic weapons technology, including the countermeasure system, involving preparations for modern warfare, in which the capability not only to attack, but also to neutralize certain types of attacks, is necessary.

In connection with the sophisticated equipment, the navy has already begun to receive the Boford 40 mm antiaircraft guns of Swedish manufacture, which the ACBV-Mechanics Industry is nationalizing in Rio.

There is even the possibility that the ACBV will export the gun, but its priority is meeting the orders from the navy and the army. The Boford gun which the ACBV enterprise has begun to produce in Rio under license from the Swedish manufacturer meets the specifications of the North Atlantic Treaty Organization, which broadens its prospects on the international market.

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CSO: 3342/156

CHILE

PINOCHET CONTINUES TO TOUR NATION, TALK WITH POPULACE

Santiago LA NACION in Spanish 2 May 85 p 3

[Editorial: "Direct Contact"]

[Text] President Pinochet has just ended an intensive tour through Regions VIII, IX and X. He met with more than 15,000 workers and union and business leaders to celebrate Workers Day.

The chief of state was accompanied on this heavy schedule of activities by the first lady and several ministers. Starting with his first contacts with the community, he received many demonstrations of affection and unity.

This new presidential tour is part of the permanent and constant government position to maintain direct contact with national reality through personal encounters with the inhabitants of the different regions and their authorities, learning on the spot the problems that occur, the solutions that are adopted and the projects that are carried out.

This is a distinctive style of the military government. It has meant that each time the president visits some region of the country, he is the subject of the warmest demonstrations of affection and support.

This constant visiting is added to the permanent contact that the chief of state maintains in Santiago with all sectors of national activity.

To celebrate 1 May, the president held a series of meetings, breakfasts and lunches with distinguished union leaders, workers and employers in the days before that significant date, improving a contact that is maintained throughout the year. This permits him to know the current reality, the aspirations and desires of the citizenry without any intermediaries.

The celebration of 1 May in Region VIII is a new example of the president's desire to be present on each occasion when the workers themselves ask for him and each time there is the opportunity to learn even more about the feelings of the people.

The party atmosphere in each one of the regions he visited and the climate of unity and harmony experienced in the celebrations of National Workers Day

constitute an obvious example of national recognition for the work that the chief of state encourages.

The general situation of the country is one of serious difficulties. The economic crisis, the terrorist attempts to subvert public order and social peace and the devastating effects of the forces of nature in the recent earthquake on 3 March indicate this.

However, the constant example that the iron will of authority offers us and its determination to continue building, to continue advancing, urges us not to falter in this task.

The unity encountered by President Pinochet in his recent tour indicates to us that he continues to have majority support and it has been strengthened.

The work and the effort will enable us to reach our goal of progress and well-being.

7717

CSO: 3348/652

CHILE

ECONOMIC COUNCIL COMMITTEE REQUESTS DIFFERENTIATED TARIFFS

Santiago LA NACION in Spanish 30 Apr 85 p 8

[Text] The Foreign Trade Committee of the Economic and Social Council informed the minister of finance, Hernan Buchi, of the need to establish differentiated tariffs for imports at a meeting held yesterday at the minister's office.

Others present at the meeting included: the president of SOFOFA [Industrial Development Association], Ernesto Ayala; the president of ASIMET [Association of Metallurgical Manufacturers], Angel Fantuzzi; the president of CONUPIA [Sole National Confederation of Small Industries and Crafts], Max Gazella; and businessman Gerardo Kuntzmann.

According to what Kuntzmann said at the end of the meeting, the minister of finance listened attentively to the proposals presented and told them that this request will be studied.

He indicated that they told the minister that a policy of differentiated tariffs for imports different from the single tariff in effect now would permit exports to improve, increase jobs, save foreign currency and revitalize national industry.

He also said that they requested that "within the GATT commitments, a tariff rationally structured between 0 and 35 percent, based on the experience of countries like Taiwan, South Korea, New Zealand and possibly Singapore, be implemented as quickly as possible."

Surcharges

Minister Buchi was also asked to continue the mechanism of customs surcharges now in effect, to continue the price cushions, reference prices, etc., that have been implemented for agriculture and to duly consider the commitments contracted by the other countries of ALADI [Latin American Integration Association].

He stated: "We do not question that the mere announcement of the formulation of a tariff policy based on the experience of Southeast Asia would reestablish the confidence of many large and medium businessmen and, perhaps to a greater

extent, the small businessmen and translate into the reopening of studies and planning for strong development of new manufacturing activities.

"The experience of the free world reliably demonstrates that the most spectacular economic growths in recent decades have occurred in countries that have known how to handle their foreign trade."

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CSO: 3348/652

CHILE

FINANCE MINISTER ON BUDGETARY CHANGES FOR EARTHQUAKE REPAIRS

Santiago LA NACION in Spanish 3 May 85 p 9

[Text] The earthquake last March is forcing the country to make a greater effort toward saving. It has led to modification of the short-term program in the national budget and foreign financing. In this way, more than 13 billion pesos have been allocated to finance the emergency.

The minister of finance, Hernan Buchi, reported this yesterday. He analyzed the ideas that support the national model of development and how this is being undertaken in the short and medium term after the international economic crisis.

He referred to the strong impact on Chile of the higher oil prices since it is mainly a crude oil importing country with high consumption. Along with the decline in the terms of trade, about \$40 billion was lost in revenue as a result of the oil crisis of 1974-75.

He said that despite the enormity of the problem, the country could successfully confront its problems due to the application of the social market economy model. Inflation came down from three digits, normalizing this sector even though there are countries that have inflations of that magnitude.

The minister stated: "The problem was faced with the price system as allocator of resources, the private sector as generator of ideas and activity and a large part of public expenses allocated to the social sector--that is, the poorest."

He added that it was possible to increase production efficiency at the same time that objective indicators demonstrated successes achieved. One is reduction of the infant mortality rate which today is about 20 per 1,000, typical of highly developed countries.

New Crisis

At the beginning of the 1980's came the new reality of another international economic crisis characterized by new drops in copper prices and an excessive increase in the international interest rate that reached unprecedented terms. Consequently, private foreign financing came to an abrupt end.

The economies were forced to adjust. In 1982, this was translated into a 14-percent drop in the Product and paralysis of nonproductive sectors like construction with a subsequent increase in unemployment in those sectors.

The projections made then indicated that conditions would change by 1984-85 based on the estimate that the growth of the U.S. economy would be consolidated then. However, the "scene of horror" that included a copper price of 65 centavos and relatively high interest rates worsened so the current reality is even worse.

Buchi emphasized: "The objective conditions indicate that we cannot wait for large increases in copper prices or spectacular declines in the interest rate." He added that it is necessary to look at the medium term and not project for shorter terms as was done traditionally.

He added that it is urgent today to reinforce the productive sector and make an additional effort in domestic savings. These are the bases for the program that is being carried out.

"That is why measures have been taken like popular capitalism which is basically a reinforcement of private activity." This will normalize the ownership of banks and productive enterprises and will permit budgetary resources to be used to give greater impetus to private initiative. He also pointed out the financing of the mortgage market through operations of the AFP [expansion unknown] which will now also intervene in the stock market.

"We must also transfer public resources to the private sector by renegotiating domestic debts of about 400 billion pesos. This has helped more than 40,000 businessmen. This, the mortgage debts and the preferred dollar have meant losses for the Central Bank which has performed a subsidiary role to carry out that mission."

He then mentioned the tax incentives that have been put into effect like the reform aimed at encouraging savings.

He emphasized that the unresolved debt cases must be resolved through the financial system. There are clear instructions from the Bank Superintendency on this.

For the Earthquake

Buchi said that the earthquake last 3 March requires a greater effort toward saving. He explained that two types of measures have been adopted, one for the emergency and another for the medium term.

In the first case, it was necessary to use the additional margin of fiscal deficit agreed on with the IMF--an increase from 3 percent to 3.5 percent. At the same time, credit contracts with the World Bank and the IDB were made flexible.

As to budget reallocations and flexibility to face the emergency, he reported that, in Education, 749 million pesos were reallocated and foreign credits

for 1,688,000,000 were made flexible. In Public Works, 465 million pesos were reallocated and 1,607,000,000 made flexible. In Housing, 1,782,000,000 pesos were reallocated and 1,595,000,000 made flexible. In Health, 700 million pesos were reallocated and 1.8 billion made flexible. In Justice and other sectors, the reallocation reached 2,875,000,000 pesos. All of this totaled more than 13 billion pesos.

The minister said that ODEPLAN [National Planning Office] and the Ministry of Economy are restudying the medium-term program to maintain the strategy and the development plans, making them compatible with the need for growth and recovery of shares so that this first priority is followed by increased employment.

Concluding his explanation, Minister Buchi summarized the terms of the program agreed on with the IMF. He said that the financing needs for this year are about \$4 billion, of which \$1.15 billion will be obtained from foreign investments and credits from the World Bank, the IMF and suppliers. Another \$1.7 billion will be renegotiated with foreign banks and the rest, some \$1.05 billion, will be obtained through new credits. This last aspect is well advanced in negotiations with the creditor banks.

He explained that there was a slight deterioration in the trade balance during the first quarter but the balance of payments has been positive. He ended by stating that the adjustment must not affect just the trade, monetary or fiscal policy but a good combination of the three.

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CSO: 3348/651

CHILE

STUDY ANALYZES FINANCIAL SYSTEM OPERATION

Santiago EL MERCURIO in Spanish 6 May 85 p B-1

[Text] A study by the consulting firm Aninat, Claro and Mendez contends that the amount of debt rescheduled under Central Bank resolutions 1578 and 1507 totaled 188,174,00 UF's as of late last December; this is equivalent today to more than 450 billion pesos.

The estimate is contained in an analysis of the overall performance of the financial system in 1984 and the impact of future economic developments on banks and debtors.

Breaking down the figure, the report says that 159,179,000 UF's are in the form of debts that the production sector has rescheduled, while home mortgages account for another 20,905,000 UF's and general mortgage bonds total an additional 8,290,000 UF's.

Leaving out the loans rescheduled under Resolution 1507, the study maintains that the farm sector has benefited the most from the rescheduling, accounting for 26.9 percent (32.3 million UF's) of the total.

The second biggest beneficiary is the manufacturing industry with 19.2 percent of the total (23.1 million UF's), while commerce takes third with 18.4 percent (22.1 million UF's).

Other sectors that have rescheduled major amounts are construction (10.1 percent and 12.2 million UF's), community and social services (9.2 percent and 10.9 million UF's) and financial services and insurance (8.7 percent, 10.5 million UF's).

The study by the consulting firm indicates that the assumption underlying a rescheduling is that a debtor who is "unable to meet his obligations today will be able to do so tomorrow."

"But," the report goes on to say, "what will happen to the financial system if the situation does not change, as hoped? Is a present-day problem merely being replaced by a more serious one in the future? The performance of the economy in general takes on particular importance

here, inasmuch as the future solvency of debtors hinges on it. The situation becomes further complicated when we consider that as an intermediary, the financial system itself influences the economy as a whole."

Therefore, the study argues that the following conditions must be present simultaneously to make rescheduling work: "a solvent financial system, solid economic growth, ability to pay back past debts, and a sound financial system."

"As we can see from these interrelated factors, the financial system must be put on a sound footing in a reasonably short period of time in order to create conditions conducive to the necessary solvency of debtors," the study adds.

It then goes on to say, however, that "nevertheless, and this is cause for concern, if the necessary conditions do not come about, the State might be induced to come to the aid of the financial system once again. As a result, its dependence on the State could shift from merely temporary and short-term to something more permanent, with the rigidity and vagueness of proprietary rights that such a status entails."

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CSO: 3348/661

CHILE

UNIVERSITY PARTICIPATION IN NATIONAL DEBATE FEUC GOAL

Santiago COSAS in Spanish 2 May 85 pp 56-57

[Interview with Tomas Jocelyn-Holt Letelier, president of the Federation of Catholic University Students (FEUC), by Soledad Miranda; date and place not given]

[Text] On the night of Thursday 25 April the courtyard of the Catholic University was filled with singing, speeches and emotion. The tally of the ballots had given a more than 2,000-vote victory to list "B," whose presidential candidate was law student Tomas Jocelyn-Holt Letelier. All of those present described the event as "historic." Eighteen years of trade union predominance were over in the university in which this movement had been born.

The president-elect behaved like just another celebrant. Jocelyn-Holt spoke of "us" and of how "we had won." He never used the first person, never claimed victory for himself. Why? "Because it was a group effort. Of course there is very great personal satisfaction, but the alternative we proposed implies a high-level of frontline student involvement. This is an effort that belongs to the entire student body and eventually should belong to the entire university."

The 23-year old Jocelyn-Holt says that he is a real square and a confirmed bachelor. He has no steady girlfriend, and his favorite sport is chess. He smokes a pipe and is categorical about his judgments. Listening to him speak as he carefully marks out his areas of interest, while leaving room for emotion, one can readily understand how he became president of the student body at Catholic University.

His patronymic is English, and on his mother's side he is a grandnephew of Carlos Ibanez del Campo and a great-great-grandson of Jose Manuel Balmaceda.

Renewed Sensitivity

[Question] This FEUC has arisen from the Democratic Centers, which constituted an opposition movement to the former federation, which identified with trade unionism. Why?

[Answer] We said that there had to be an alternative and, at the same time, an organization that could fill in the gaps left by a federation that we did not approve of. In this regard, coordination was a necessity.

[Question] What gaps are you talking about?

[Answer] Well, the federation did not concern itself with the welfare of the students or with the economic grievances of students in one of the country's most expensive universities. Secondly, we needed to fill the gap of defending the students' personal safety. We also had to defend certain national values, civil liberties in particular, so that we can build a country on a foundation of involvement, consensus and democracy. This is a grievance that students in particular have pushed.

[Question] These are political grievances...

[Answer] There cannot be a true university in a country whose institutions are deprived of so much. The university is not an island. In this sense, we are stressing the need to have a country that can believe in participation and civil liberties, inasmuch as the many dismissals and expulsions of students have stemmed from the situation in the country in general. Therefore, we stress the need to defend certain values, which Chilean students have always historically been able to do. They have always been able to make a contribution to the nation, to realize that they were not mere passive recipients of packaged knowledge but were, instead, the people who actually ought to tackle the nation's problems because they were its best trained, most qualified citizens. We believe that in practice this dichotomy between internal and external grievances never existed, not even during the 18 years of trade union control.

[Question] What is this dual track, which you say is unique, going to imply as far as your student government is concerned?

[Answer] Above all, it is going to imply a new federation that will give us back our sensitivity, that will make us aware once more of what is actually happening not only to us as students but to the country at large. Our concern as students is for our university and the country.

We have seen that the federation has not reacted appropriately to the students' real economic problems. We feel that we must push for differentiated tuition, which is a national grievance because it entails a change in the law. Secondly, we must address the disciplinary problem within the university. It has been prompted by powers that we regard as totally excessive and unjust, arising from an indefensible ordinance that has been applied by an authority who each time he does becomes more of a party to the case than an impartial judge.

Thirdly, we have underscored the need to open up channels of participation. We believe that there is a mutual dependence among the various parties involved that should be reflected in the management, the running of the university.

[Question] Are you again moving towards joint governance?

[Answer] The concept of joint governance has a pejorative connotation. For the most part, it is rejected a priori.

Although it is true that we are very sympathetic towards the reform that took place in the 1960's, we feel that the context today is very different. Right now we are trying to regain the minimal freedoms we need to do a decent job. This can in no way be compared with the sophistication and depth of the discussions that were going on at that time. We want to redeem the concept of participation in charting overall policy, in determining the actors who are to carry this out as something fundamental that arouses the support and the commitment of the entire university community in running the university. You cannot ask students or anyone else to defend their university when in practice they feel completely out of the picture in running the institution of which they are part. They feel that they are in a commercial relationship with the university, to which they pay tuition. But this is not enough; a university is more complex than this.

[Question] How do you plan to accomplish this?

[Answer] We feel that the federation's bylaws must be amended, that a full student council must be convened. The student council that we seek to implement is more than a constitutional assembly, because its aim is to discuss, for the first time within the university, a number of issues that the federation ought to address. It must draft new bylaws, because the ones we have now have never been debated. Second, it must discuss the relationship that the federation is going to have with other authorities and other social actors. I am referring specifically to relations with the rector's office, with the professors, with the administration, as well as relations with the Church, the labor movement and the country's other students.

These are issues that go along with the stand that the federation must take in the council on certain values. The defense of civil liberties and the defense of and respect for our fundamental rights are issues that must be taken up. Our premise is completely different from trade unionism's. They wanted a highly atomized society, an eminently liberal, very traditional society in which the intermediate organizations did not pressure the government to meet their demands. We have come to the realization today that the many internal problems of each segment of society in this country are interrelated.

Pluralism and Participation

[Question] In an editorial last Monday EL MERCURIO stated that in view of the 40 percent of the vote that trade unionism got, the success of this student government was going to depend "on its focusing on university affairs proper." What do you think of this commentary, and what to you are university affairs proper?

[Answer] I have several thoughts. First, we have said time and again that we want a federation consisting of 10,000 persons, a federation that is broad-based, tolerant and, so that students do not perceive of it as distant, one that brings them all together. That is to say, both the people who agree with and those who criticize the official view of the federation's performance. The sectors that are critical of us will have broader avenues for participation than we had when we were in the opposition.

Now then, with regard to university affairs proper, I have two things to say. We are not going to be a neutral federation. Our federation is going to have a specific substance, is going to defend values and is going to call for changes both in the university and in the nation. We want to be very honest in this regard. It is our belief that the federation that stepped down last Thursday after 18 years in office was never neutral in practice. Otherwise, you could not explain how these individuals, after serving as federation officers, got jobs in mayor's offices, ministries and civil service. The federation was not independent.

[Question] This is a very strong accusation...

[Answer] It is a diagnosis and, unquestionably, a value judgment, and I make it as such. But I think that it has a strong basis in fact. The link between trade unionism and the Independent Democratic Union is beyond question. We are not saying that it is illegitimate, but we are asking that it be acknowledged openly. Second, there must be pluralism. We are not going to use the freedoms that trade unionism did to take over the federation and then deny them to others. That is a fact.

So, I have several things to say. First, we have not seen a neutral federation. Second, we see a federation that has been run by a sector

that has used the federation and the university as tools for external purposes. And third, we have seen a federation that in practice has not concerned itself with the genuinely university-related problems of its people.

Let's look at the disciplinary problem. We have criticized Article 41 of this university's student regulations since it took effect. Punishable conduct is described so vaguely that anything could be included. And punishment can be meted out without a preliminary hearing. This means that it can be enforced in discriminatory fashion. Last year we had mass expulsions without prior hearings. The federation has systematically prejudged these cases. All the university authority has to do is announce a sanction, and the federation makes a value judgment and doesn't even call for a fair trial. We saw during the campaign how the other candidate attacked Cristian Meneses, a math student who had been arrested and who has not even had the chance for a fair trial. People have no right to judge before the facts are clarified. He demanded this of law students in particular and of the other presidential candidate, who happens to be a law student.

[Question] List A also made accusations against your people: the union of democrats and Marxists...

[Answer] We don't like the way the outgoing federation paints everything in black and white, calling some people good and others, supposedly us, bad. We are going to work with all students who want to undertake the common program. Our beliefs are contained in the program that we are offering, and the 10,000 students are invited to take part in it, without exclusions of any sort.

[Question] For what purpose?

[Answer] We are aware that there is a real conflict in the Catholic University and we want to get to the root of it. In order to do this, we must see in what ways the federation itself has been responsible.

Renewed Debate

[Question] Minister Collados recently indicated that culture was where the nation was the weakest. Do you see his statement as a criticism of the universities?

[Answer] Right now our educational system in general is very poor. The people who are entering college are not prepared. Our universities are not much different from professional institutes, technical institutes, because they are primarily concerned with training professionals and technicians. The universities that are supposed to be putting out well-rounded individuals are not doing so. And the success or failure of these individuals is gauged later by their ability to secure high-paying jobs. Our educational system's approach is wrong.

[Question] In other words, universities have been a factor in this cultural decline...

[Answer] A major factor. The administrations have had prejudices, political prejudices, as well as prejudices about our cultural world. Culture is not just the mechanical reproduction of symphonies or the staging of symposia; it must be something that people themselves can recreate in their society. This country used to have a relatively high cultural level. We had an intelligentsia that was capable of making major contributions.

[Question] As far as ideology is concerned, how are college students doing without ideological debate?

[Answer] The problem is institutional. Historically, college students in Chile have addressed not only institutional problems but others as well. There was great substance to the debate within universities. We had leaders who were capable of making major contributions to such debate. In this regard, we want to bring debate back. We are aware of the obstacles in our path, but we are going to strive to bring back in-depth discussion.

[Question] You said that the cultural problem also stemmed from an institutional problem. What sort of role are university students going to play in the transition?

[Answer] We will have mainly two contributions to make. We are going to work with all the other major national actors to promote not only respect for our rights but the recovery of our democracy as well. This is an obvious arena. The second task we have yet to work out. Different groups have given their input as to what standards, what measures any subsequent political system ought to adopt. But we very much want such a discussion to take place within universities, not just institutes, so that we can enhance the substance of our discussions and debates. And it is important to do this right now. Perhaps Catholic University can become a small testing ground. I hope so.

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CHILE

BRIEFS

CODELCO DEVELOPMENT INVESTMENT--In a meeting held yesterday, the directorate of the Chilean national copper enterprise, CODELCO [Copper Corporation], agreed to carry out 11 extraordinary investment projects costing a total of \$16,744,000. Payments for acquisitions in the country and national manpower for these initiatives will reach \$15.97 million--that is, 95 percent of the total investment. The projects are part of the 1985 program totaling \$336,029,000. About \$238 million of this will be spent in national currency, giving incentive to industry and significantly increasing job sources in the country. [Excerpt] [Santiago LA NACION in Spanish 3 May 85 p 8] 7717

LABOR COMMISSION CREATED--Concepcion--The minister of interior organized a commission in Santiago that will be responsible for solving the problems of the workers based on a clear regional and community focus. The minister of labor and social welfare, Alfonso Marquez de la Plata, reported this in a talk here with the mass media. The minister said that the Ministry of Labor, the new Secretariats of Social Development and the Employment Commission will participate. They will focus on all the ideas together and look at solutions to problems such as workers not covered by social security. He added: "The idea is to have a much more rational administration of the funds so that both the regional and community authorities here know the job needs at different times of the year much better and can use the funds and administer them more autonomously. It is necessary to pass a series of measures to achieve that." [Excerpt] [Santiago LA NACION in Spanish 2 May 85 p 5] 7717

CANADIANS CO-BUILDERS OF ICEBREAKER--Valparaiso--The next major step Chile will take in the naval shipyards sector will be the construction of an ice-breaker that will replace the "Piloto Pardo" which must be decommissioned soon. Contacts have already begun with a Canadian industry with great experience in order to form a joint enterprise. Adm Jose Toribio Merino Castro, commander in chief of the Navy and member of the Government Junta, announced this at noon yesterday at the end of the reception ceremony for the floating dock "Valparaiso III." It is officially based in Valparaiso and included in the assets of its port and maritime infrastructure. [By Raul Santiz Tellez] [Excerpt] [Santiago LA NACION in Spanish 23 Apr 85 p 9] 7717

CSO: 3348/652

DOMINICAN REPUBLIC

UNIONS CALL FOR WAGE INDEXING, BREAK WITH IMF

Santo Domingo EL NACIONAL DE !AHORA! in Spanish 2 May 85 p 11

[Text] We, the undersigned labor unions of the Dominican Republic, have agreed to celebrate International Labor Day in unity.

This commitment has been motivated by two fundamental purposes:

—To pay tribute to the labor martyrs who in various countries have fallen in the struggle to defend the workers' rights and interests; and

—To recognize the need for us to unite in an effort to face the serious economic and social plight of the workers and all the poor of our country.

As for the first purpose, today we would like to pay tribute to our great leader, Mauricio Baez, who fell victim to the tyrant Trujillo, and to the other workers who perished when they confronted the dictatorship, as well as all workers who during their lifetimes served our class with love and selflessness.

As for the second purpose, we would like to inform management of our repudiation of its irrational opposition to recognizing the worker's right to bread, education and health, by opposing a wage increase that would enable us to recover part of the real value that our wages have lost. We also condemn the anti-worker attitude of many members of the management class, who respond to the slightest inclination of their employees to organize a union by firing them.

We would like to express to the government our revulsion at its inability to deal with the economic, social and political crisis that mires the majority of our population in poverty, and at its complicity with many employers in denying the right to unionize and other democratic rights. For example, we cite the slaughter that occurred in April of last year, the unjustified dismissals of workers, the persecution of popular leaders in the fields, in the urban slums, and in workplaces.

The deterioration of the people's situation has been precipitated by the measures the government took to satisfy the demands of the International Monetary Fund (IMF). Just the measures adopted by the president of the

republic last January drove the cost of living up by 40 percent, and have been used to justify the dismissal and/or laying off of many workers. Peasants and of course "chiriperos" [people who do odd jobs] and the unemployed are also being hurt by this anti-people and anti-national policy. The lack of a fair agrarian policy that would turn the land over to the peasants who work it and provide them with technical consultation, credit and secure prices and markets, continues to drive rural residents into the "poverty belts" that surround our cities. Every day more of our children are prevented from attending school by the lack of classrooms and money to buy books. More and more men and women are being put out of work, and the suffering of their spouses and children is a sad and painful reality.

If the crisis that many countries are suffering is hitting our people particularly hard, it is because of the manifest incompetence of government officials, and the desire many of them have to take government property for themselves. This sad and humiliating fact is evident in every public office and every institution that is administered by mandate from the Executive.

In view of this situation, we workers have decided to unite to take action in order to defend our class interests. Although we are organized in various labor unions with different points of view on society and international relations, we would like to declare solemnly to all of the people that we intend to fight together to defend our rights and to attain our common demands, with respect for the political participation, beliefs and nationality of all citizens. We feel that above and beyond these differences, we belong to a single class that is exploited and oppressed, and we need to unite to defend ourselves. Specifically, we intend to fight:

- For an automatic wage adjustment pegged to the cost of living;
- For a minimum living wage;
- For price controls on basic consumer goods;
- For the job security of union leaders and activities, and the modification of the Labor Code;
- For the establishment of a real social security system;
- For real agrarian reform;
- For an employment policy that guarantees jobs for the unemployed;
- For free education for our children, with respect for our national values, and price controls on textbooks;
- For the repeal of the agreements with the IMF and the defense of national sovereignty, so that we Dominicans can control our own destiny.

We would like to express our acknowledgement to the Catholic Church for its effort to bring about a dialogue among labor, management and the government, to seek solutions to the problems that plague our people and deal with the crisis with the contribution and sacrifice of all. We feel that the encounters we have had so far have not borne fruit, yet we are still willing to continue the dialogue and to reach as many agreements as possible to improve the working and living conditions of the working class and to bring our country out of the serious crisis in which it is mired.

We would also like to express our acknowledgement to the National Congress for having passed a minimum wage of 250 pesos, though it does not satisfy our

demands, because it at least partially alleviates the unbearable burden on families. We insist, however, on the need to establish a mechanism for the automatic adjustment of wages as a function of the cost of living, to prevent wage raises from being absorbed by new price increases. A minimum living wage should be established so that workers can meet their basic needs.

Finally, we call upon all the workers of the country to join in this united effort that is being launched by the labor unions who have signed this manifesto, and to refuse to allow aggressiveness and personal ambition to destroy it.

We call upon all our people to organize and support the struggle for the defense of national sovereignty, against the pressures of the IMF, for the protection of democratic freedoms, and in support of our program of minimum demands.

We warn the government that it will not be able to stop the wheels of history, and that things must change. Because we, the organized workers, will make them change, necessarily and inevitably.

Praise the Martyred Workers!
Long Live the Unity and the Struggle of the Workers!
Long Live the First of May!

Not a Step Backwards! We Workers Will Overcome!

General Central Organization of Workers (CGT) (Majority)
National Confederation of Dominican Workers (CNTD)
United Central Organization of Workers (CUT)
Autonomous Confederation of Classist Trade Unions (CASC)

Santo Domingo, National District
1 May 1985

8926

CSO: 3248/354

DOMINICAN REPUBLIC

NEW PRSC OFFICIALS FOR NATIONAL DISTRICT SELECTED

Santo Domingo LISTIN DIARIO in Spanish 3 May 85 pp 1, 14

[Text] Businessman Juan Marichal, a former big league pitcher, was chosen yesterday to be president of the District Directorate of the Christian Social Revolutionary Party (PRSC).

The selection of the sports hero was made by the PRSC president, Dr Joaquin Balaguer.

As the first vice-president of the Directorate, the reformist leader chose Mrs Ana Teresa Balaguer, and as second and third vice-presidents he picked Esteban Vargas and Dr Rafael Morel.

The secretary general of the PRSC District Directorate will be Dr Emma Valois.

The restructuring of the District Directorate was announced by Dr Balaguer the day before yesterday during a meeting at the party headquarters on Labor Day.

Rosa de Lopez was chosen as recording and corresponding secretary; Basilio del Villar was named secretary of organization; J. J. Gonzalez was put in charge of finances; Dr Manuel Frank Guzman Landolfi was named head of legal affairs; and Rafael Pellerano Pool was put in charge of youth and student affairs.

Pedro A. Castillo was named to oversee agrarian and peasant affairs; Rafael Fermin was put in charge of worker affairs; Oneida Zayas will oversee women's affairs; Dr Laura Hernandez will be in charge of social assistance; Marco Reyes Mora will oversee discipline; Emigdio Mercedes was named head of education and training; Julio Cesar Jerez Whisky will be in charge of publicity and propaganda; Vladimir Pena Hernandez will take over electoral matters; Oscar Valenzuela was put in charge of sports and recreation; and Dr Francisco Cordova Anton will be responsible for doctrine.

Balaguer had stated that the Directorate will not respond to "any faction," and that it will be the legitimate expression of the will of the majority in the district.

He admitted that after the last district convention, differences within the reformist family widened.

Balaguer stated that in the capital, the PRSC should unite and forget about factions and dissent, because "without unity, without abandoning these petty differences, the party will not be successful in the coming elections."

8926

CSO: 3248/354

DOMINICAN REPUBLIC

BRIEFS

ELECTRIC COMPANY FINANCES—In 1984, the Dominican Electricity Corporation (CDE) increased its revenues by 22.2 million pesos, a rise of 11 percent over the previous year. This growth is attributed to the policy carried by the CDE's general administration. On the other hand, there was a decline of 5 million pesos in outlays, equivalent to a 1.3 percent reduction, according to the annual report the corporation submitted to Congress. Among the current outlays in 1984, the most important category was fuel, which cost 177 million pesos in 1983 and 166.2 million pesos in 1984, a drop of 6.1 percent. The other current outlays for this year stayed practically unchanged (121.45 million pesos in 1984 and 113.76 million pesos in 1983), rising by just 6.76 percent. There was a considerable reduction in the payment of interest on the foreign debt, basically due to the government's negotiations with the Club of Paris to reschedule the debt. The results of 1984 showed a decline in the current account deficit of 21.2 million pesos. In sum, as of December 1984, the CDE had practically eliminated its accumulated annual losses of 149.48 million pesos, built up over the past 6 years despite subsidies from the central government amounting to 80.72 million pesos. The cumulative losses for the 1982-1984 period amounted to 10.0 million pesos, but after 16 August 1982 there were no cumulative losses or subsidies. In view of all this, there was a reduction of power losses of 37.38 percent in 1983 and 30.98 percent in 1984. In other areas, however, since September 1984 the CDE has faced severe financial problems in carrying out its programs because of a slow-down in the supply of foreign reserves and the liberalization of commitments, despite its having deposited the pesos in the Central Bank through the commercial banks. This has driven its costs upwards, and delayed its programs. There has also been a greater shortfall of power and more breakdowns, many of which could have been avoided. [Excerpt] [Santo Domingo LISTIN DIARIO in Spanish 1 May 85 p 1-D] 8926

CSO: 3248/354

GUATEMALA

BRIEFS

NEW ARMY SPOKESMAN, ATTACHE--Air Force Colonel Rene Morales Paiz will take over this afternoon as new chief of the Army Information and Press Department. He will replace Colonel Hector Rosales Salaverria, who has been appointed the new Guatemalan military attache in Washington. [Excerpt] [Guatemala City Cadena de Emisoras Unidas in Spanish 1130 GMT 30 Apr 85 PA]

CSO: 3248/343

GUYANA

AGREEMENTS SIGNED WITH YUGOSLAVIA DURING BURNHAM'S VISIT

Line of Credit

Georgetown GUYANA CHRONICLE in English 17 Apr 85 pp 1, 4

[Text]

BELGRADE, Yugoslavia: (GNA)--Guyana and Yugoslavia yesterday signed two agreements for the improvement of trade between the two countries and for a ten-million(US)-dollar line of credit to Guyana for the purchase of Yugoslav goods.

Speaking before the agreement on the line of credit was signed, Health and Public Welfare Minister, Richard Van West-Charles said the facility will be used principally for the acquisition of capital goods such as agricultural machinery.

The line of credit also provides for Yugoslavia to purchase from Guyana a variety of goods to be determined subsequently.

The general trade and economic agreement which Cde Van West-Charles signed with Yugoslav Federal Executive Council Member, Spasoje Medenica, seeks to improve trade between the two countries and also to activate provisions in the old scientific and technical co-operation agreement between the two countries.

In addition, through the

general agreement, existing undertakings between the two countries in gold, corn-soya production, resin concrete and, silica brick production "have been arranged and as a result of the visit will move at a faster pace," Cde Van West-Charles said.

The signing of the agreements in "Federation House" in Belgrade followed the opening Monday of formal talks on trade and economic matters by President Forbes Burnham and President of the Presidency of Yugoslavia, Vasilje Djuranovic, assisted by their top officials.

Commenting on the two agreements signed, Cde Van West-Charles noted that the development "certainly enhances the movement of the economic relations between Guyana and Yugoslavia."

He referred to the years of political relations between Guyana and Yugoslavia since the establishment of diplomatic relations and pointed out that "we can see

an intensification in terms of the improvement of economic relations."

Last evening, President Burnham and senior members of his delegation met with the President of the Presidency of the League of Communists of Yugoslavia.

The discussions are continuing from a session opened Tuesday morning at the socio-political organisations building in Belgrade and adjourned when Cde Burnham undertook a tour of the large war museum in Belgrade.

The President also toured the "Electroprojekt" Consultancy and Construction Company, a concern with hundreds of millions of dollars worth of business in foreign countries.

Cde Burnham and his delegation were scheduled to be hosted at a farewell banquet held by President of the Yugoslav Presidency Vasilje Djuranovic this evening.

Cde Burnham leaves for another of the Republics of Yugoslavia, Croatia, today.

Electric Power Cooperation

Georgetown GUYANA CHRONICLE in English 18 Apr 85 pp 1, 4

[Text]

ZAGREB, Yugoslavia (GNA)
— Guyanese and Yugoslav officials have undertaken to examine and promote co-operation in a number of areas related to electrical power.

The undertaking came during discussions in Yugoslavia between members of the Guyana delegation led by President Forbes Burnham and top officials of the large Rade Koncar Electrical Engineering Industries, located in Zagreb, Socialist Republic of Croatia.

At various points during the tour and in discussions at the Rade Koncar plant yesterday, Yugoslav officials expressed a desire to have closer relations with relevant industrial plants and authorities in Guyana.

The tour was conducted by Rade Koncar President, Ante Markovic, who is also President of the Republic of Croatia's Executive Council or Government, and Nikola Drakulich, Deputy President of Rade Koncar.

At subsequent discussions with the officials, Cde. Burnham discussed relations between Rade Koncar and Guyana, and posed a number

of questions as to the operations and policies of the company.

Company officials expressed particular interest in the Tumatumari Hydro-Electric Project in Guyana.

Four generators of a type recommended for use at the Tumatumari Power Station are among the contracts now being executed at the Rade Koncar plant toured yesterday.

During the discussions it was also agreed that experts from the Rade Koncar and their Guyanese counterparts should exchange visits.

Other matters dealt with during the discussions include the manufacture of components by the company for the assembly of water pumps.

Yesterday's discussions at the electrical company touched on a number of other areas, including the involvement of Rade Koncar in the design and supply of equipment for water control systems, and the company's in-house facilities for the training of personnel.

(GNA)

Trade, Economic Accord

Georgetown GUYANA CHRONICLE in English 18 Apr 85 pp 1, 4

[Text]

ZAGREB, Yugoslavia (GNA)
— After four "short" days of President Forbes Burnham's seven-day State visit to Yugoslavia, Guyana and Yugoslavia have been able to considerably intensify relations on the economic front.

This is the view among officials on both sides.

Over the years, relations on the economic front have lagged behind the political relations between the two countries.

However, a major step forward in the relations between the two countries, was recorded Tuesday — the third day of the State visit — when they signed a general trade and economic agreement.

They have also agreed on a ten million (US) dollars line of credit to help boost Guyanese industry.

On the political front, the feeling is that the relations between the two Non-Aligned countries are as good as they have ever been and augur well for continued co-operation.

For the Guyana delegation, a particularly valuable experience of the visit over the four days, has been the extensive exposure to industrial, political and social development in Yugoslavia.

These experiences have

been particularly relevant as the countries share similar objectives in such areas as self-development, involvement of women and people's participation in decision-making and implementation.

The tours of industrial locations, which continue today, have been of great interest to members of the Guyana delegation, and the talks conducted with their Yugoslav counterparts have facilitated insights into various aspects of life in Yugoslavia.

CSO: 3298/659

GUYANA

INDUSTRIAL TECHNOLOGY TRANSFER WITH BRAZIL UNDER STUDY

Georgetown GUYANA CHRONICLE in English 17 Apr 85 p 8

[Article by Kamini Persaud]

[Text]

TWO consultants from Brazil's Industrial Training Institute, SENAI, are due in Guyana later this week to work on the project document for a joint Guyana-Brazil industrial training and technology transfer project.

A Guymida official said Monday, funding for the project was being sought from the Inter-American Development Bank (IDB).

The joint Guyana-Brazil project to develop Guyana's industrial training base and its manpower capability in the industrial sector, is estimated to cost about one million (US) dollars.

The Brazilian consultants — Professors Antoni Andrade and Ricardo Rezende from SENAI's Division of International Co-operation will spend two weeks in Guyana. This is their second visit to Guyana.

During their first visit here in November last year, the Brazilians carried out preliminary diagnostic work on the technical and vocational needs of Guyana's industrial sector and the capability of existing training institutions to satisfy these requirements.

A team of Guyanese experts, headed by Guymida's Executive Director Clem Duncan, paid a return visit to Brazil earlier this year to identify specific areas of technical assistance which could be obtained from Brazil in relation to Guyana's actual needs.

The Guymida official explained that the project will have three components, including Brazilian technical assistance for the institutional strengthening of this country's industrial training base.

The project also envisages the granting of scholarships to Guyanese craftsmen, technicians and instructors to attend specialist courses at SENAI institutions in Brazil.

Industrial attachments for local industry practitioners at sister organisations in Brazil will also be catered for under the project. In this way, the Guyanese will be able to observe technologies employed in the production and marketing of industrial goods, the Guymida official said.

[GNA]

GUYANA

GREEN STRESSES COOPERATION IN WELCOMING BRITISH ENVOY

Georgetown GUYANA CHRONICLE in English 12 Apr 85 pp 4-5

[Text] Cooperation for mutual benefit remains an important aspect of Guyana's policy, Vice-President, Social Infrastructure, Cde Hamilton Green said yesterday.

Replying to a statement made by the new High Commissioner of the United Kingdom to Guyana, Mr J.D. Massingham during the presentation of his Letters of Credence, Cde Green observed that relations between Guyana and the United Kingdom are deeply rooted in history.

The traditional bonds have found common ground, not only in language and shared ideals but also in a commitment to universal principles like non-interference in the internal affairs of states, and respect for territorial integrity and sovereignty, Cde Green observed.

These values, he added, contribute to the strengthening of the Commonwealth and to our cooperation in such international organisations as the United Nations.

He said the Government of Guyana fully shares with Her Majesty's Government the importance of the two countries seeking new areas for cooperation and the safeguarding of existing and mutually beneficial trade and economic connections.

Guyana, Cde Green continued, is appreciative of the constructive position taken by the United Kingdom in the successful negotiations for preferential entry into the European Common Market of some products produced in Guyana.

"It is our hope," Cde Green said, "that the basis of common understanding shared by Guyana and the United Kingdom will lead to positive and constructive developments in the years ahead."

In his statement, the High Commissioner observed that respect for the sovereignty and territorial integrity of states is something to which Guyana and Britain attach paramount importance.

"Through our membership of the United Nations, as through our membership of the Commonwealth organisations in which Guyanese representatives have played and continue to play outstanding roles, both our countries strive for a constructive and humanitarian approach to international issues..." High Commissioner Massingham said.

He alluded to the present world economic climate and added that it is increasingly important for the two countries to seek new areas for cooperation and to safeguard existing mutually beneficial trade and economic connections as well as cultural and political relations.

According to the British diplomat, Guyana's membership of Caricom and Britain's membership of the European Community testify to the common understanding of how such regional organisations can benefit our peoples.

He said Britain has fought hard in negotiations within the EEC to ensure that preferential arrangements for certain products such as sugar are maintained since such arrangements are of considerable benefit to Guyana and other Commonwealth producers. [GNA]

CSO: 3298/659

GUYANA

WPA ISSUES STATEMENT ON ARMS CHARGE AGAINST MEMBER

Georgetown OPEN WORD in English 8 Apr 85 p 3

[Text] The WPA has released the following statement on the charge laid against one of its activists:

"Tacuma Ogunseye, WPA activist, and his mother, Gladys Younge, who is not a member of the WPA and has never been, were taken before the court on Tuesday, 2 April, and charged summarily with possession of arms and ammunition. They were represented by legal counsel and released on \$750 bail each.

"Since his release, the WPA has received from brother Ogunseye a full report of the circumstances surrounding the searches, arrests and charges. The party is satisfied that Ogunseye and his mother are innocent of the charges. The WPA will observe carefully the unfolding of the evidence against the accused. It is not without significance that the searches and charges came in the context of the WPA's public calls on all political parties to pledge themselves against the use of violence in Guyanese affairs.

"The party possesses no arms or ammunition, nor is it seeking to possess these things. We do not condone the holding of such material by any member, directly or indirectly. We have made public declarations against political violence because we feel that any such development will be against the interests of the Guyanese people. These declarations were made after deep consideration and we intend to adhere strictly to them. It is our considered opinion that any person or persons engaging in or planning to engage in acts of terrorism or violence of any kind of this delicate situation will be threatening the safety of the whole Guyanese population.

"The WPA will defend violent struggle in the right times and the right places. However, even in situations where it may be morally defensible, it must make sense. For all of these reasons, the WPA has been actively pursuing, since the destruction of Free Grenada, policies—in word and in deed—that aim at the isolation of both criminal and political violence in the Guyanese society.

"By the same token, the WPA, shoulder to shoulder with other patriots, has the responsibility of raising the non-violent struggle for freedom in Guyana to new levels of effectiveness. The people's freedom must begin with the winning back of the right to genuine elections, to freedom of assembly, and to freedom of association. With such a beginning, Guyana will rise again."

GUYANA

CONTINUING REPERCUSSIONS FROM CHURCH-STATE ROW REPORTED

Police Commissioner's Comments

Georgetown CATHOLIC STANDARD in English 14 Apr 85 p 2

[Text] POLICE COMMISSIONER Balram Ragubir in a recent interview with the Catholic Standard was asked why the police had delayed in coming to remove House of Israel members and other government supporters, who were obstructing members of the Guyana Council of Churches (GCC) from attending their Annual General Meeting.

The presence of a top government official who directed the disruption of the meeting, and to whom the police apparently had to defer, the Standard said, gave the impression that the police were acting under political instructions.

The Commissioner explained that the police had difficulty in determining whether the persons they were summoned to evict from the Diocesan Youth Centre on Mar. 12 last were in fact trespassing.

He said that plainclothes police had gone to the scene soon after the call was made, but found that all was quiet. They did not know who were trespassing, he added.

Later a vehicle had brought a contingent of police who cleared the premises of some of the persons present. These later returned.

According to the law, the Commissioner added, ownership did not always give the right of en-

try to a property, as it may have been leased to others.

In determining trespass, he said, the circumstances had to be taken into account in each case.

The Standard pointed out that the police had been summoned by Bishop George whose Church owned the property and who was prevented from entering on it, Mr. H.O.E. Barker, a trustee of the property, Rev. George Richmond, Chairman of the GCC which had convened the meeting, the administrator of the Centre, Mr. Keith Branch and others.

Moreover, the Standard added, the convenors of a meeting had the right to evict anyone from the meeting for a just cause, and could call on the police for help in doing so.

Both the owners and administrator of the property as well as the convenors of the meeting had requested the police to remove persons who were creating a nuisance. They were obstructing others from entering and causing a breach of the peace by doing so, as well as chanting slogans.

Letters From, To Canadian Primate

Georgetown GUYANA CHRONICLE in English 19 Apr 85 pp 4-5

[Text]

THE Guyana Government has rejected as being "false, unmeritorious and without substance," allegations made in a cable sent to President Forbes Burnham by Archbishop E.W. Scott, Primate of the Anglican Church in Canada.

The Archbishop had, among other things, accused the Government of vilifying Anglican Bishop of Guyana, Randolph George in the press and of interfering with the "democratic rights" of the churches in Guyana.

The Guyana Chronicle publishes today, the texts of the archbishop's cable and of the Government's response

Toronto Ont.,
President Forbes Burnham,
Government of Guyana,
Georgetown.

"On the basis of direct information and first-hand reports we protest the disruption of the annual meeting of the Guyana Council of Churches on March 12th at the Anglican Youth Centre in Subryanville. We believe that the right to freedom of assembly is of the greatest importance in a democratic socialist society. We are concerned about the report that senior members of the P.N.C. were involved in the disruption and that the Police did not act promptly to disperse those who refused delegates entry to the building.

We also wish to express concern about the vilification in the press of Bishop Randolph George, the Reverend George Richmond, and other members of the Guyana Council of Churches. We would welcome your assurance that there will be no further interference with the democratic rights of the churches in Guyana. We will not hesitate to request our government to restrict its

foreign aid to Guyana if there are further violations of the democratic rights of its citizens."

Archbishop E.W. Scott,
Primate, Anglican Church of Canada.

Copies: Joe Clark, Minister of External Affairs, Canadian Council of Churches, Guyana Council of Churches, Bishop Randolph George, Caribbean Conference of Churches, Anglican Consultative Council.

THE following is the Government's response sent by Media Relations Officer Sandra Seeraj for the Chief Information Officer, Ministry of Information:

TEXT:

YOUR telex of 4th April, 1985 to His Excellency the President of the Co-operative Republic of Guyana has been passed on to this Ministry for attention in accordance with our governmental procedures.

2. I am constrained to observe at the outset that it is a matter of regret that a person holding your exalted ecclesiastical office should have been the author of such a crude, discourteous and irresponsible communication to the Head of State of our country. The unacceptable language adopted by you in the said communication inevitably brings to mind the arrogant and racist behaviour for which many ecclesiarchs of your denomination in your country became notorious in the past, and unfortunately comes too close to the high tone of the pronouncement made by the Anglican Bishop of New Westminster in Canada when, in opposing the admission of non-white immigrants some decades ago, he told his synod, "We should have a province that will be white, that will be British and that will be Christian." It might have been hoped that by now you should have moved away, at least some discernible

distance, from the overbearing manner of an historical period of which even you can hardly be proud; but, alas, your attitude has only served to raise painful and disquieting questions. In the spirit of Christian charity, about which I am sure you preach regularly but which has been so conspicuously lacking in your communication, I can only urge upon you a rigorous examination of your conscience and your motivation.

3. Now to deal with the substantive issues raised in your communication: It is a matter of public record that many Christian churches, some of them members of the Guyana Council of Churches, and individual church members have openly dissociated themselves from the action taken in the name of the Guyana Council of Churches and have responded to certain external church bodies which have made allegations similar to those made by you and, obviously, at the instance of the same persons who have misled you into so rash and thoughtless a course of conduct. In the circumstances, it is unnecessary for me to deal with your allegations serially. It will be sufficient for me to say that the Government rejects them completely as being false, unmeritorious and without substance and to refer you to the text of a published telex from the Committee of Concerned Christians on the issue. The text reads as follows:

"Christians in Guyana are disturbed over the disinformation and misrepresentation which led to your cable to President Burnham, the text of which has been published in the Guyana press of the 28th March.

"It is easy for the position to be misrepresented in view of the fact that, as Bishop Randolph George admitted in Canada in October, 1981, 'he was elected Bishop unanimously at a 1980 Synod where most of the delegates were members of the ruling party.' See Share Newspaper of Canada, 17 October 1981, front page. Disinformation would have it that a Christian who votes for the Bishop is acting as a Christian but, if he opposes the Bishop's politics, he is acting as a member of the ruling party.

"Prior to the meetings in question, the G.C.C. has issued a Working Paper 'to stimulate interest among Christians to attend' the meetings for the purpose of discussing a programme of action designed to achieve what the Working Paper referred to as 'a solution of the national crisis,' which solution was significantly linked to a reference in the Working Paper to 'struggles to bring down the mighty from their thrones'. The Working Paper in effect sought to mobilise political action to bring down the Government. It also invited Christians to attend the meetings for the purpose of discussing the Working Paper.

"Members of the Christian community, inevitably including some members of the P.N.C., sought to attend the meetings pursuant to the GCC's invitation but were

excluded by the GCC's authorities who also refused to allow the Working Paper to be discussed.

"Religions of all kinds have flourished under the present Government in this multi-religious country, and religious bodies are free to engage in any other activities, including political activities if they wish.

"However, where the hierarchy of the churches elects to engage in political activity overtly expressed to be designed to bring down the Government, members of the churches would naturally wish to make sure that the GCC is faithfully representing their general thinking.

"Yours in Christ."

Signed: Rev. Oscar Wharton, Pastor, Smith Memorial Congregational Church.

Signed: Rev. Father Gilbert Harris, Vicar, St. Philip's Anglican Church.

Signed: Rev. Hewley Hinds, Presiding Elder, St. Peter's A.M.E. Church.

Signed: Rev. Llewelyn L. Fraser, Pastor, New Jerusalem Church.

4. Before concluding, I would touch on three matters arising out of your communication.

First, your allegation that Bishop George has been vilified in the Press is absurd, ridiculous and unsustainable. If you were sufficiently interested to take the trouble to research this matter, you would fail to find any article in any newspaper in this country that could reasonably be construed as a

"vilification" of the worthy gentleman.

Second, the Government has not interfered with the "democratic rights" of the Churches in Guyana as alleged by you or at all. Consequently, the question of giving assurance that there will be no further interference does not arise; and, in any event, it is difficult to appreciate what gives you the right to demand assurances on any matter at all from the Government of Guyana or any other sovereign state. Your demand is an impertinence that requires no further comment.

Third, your threat that "you will not hesitate to request (your) Government to restrict its foreign aid to Guyana if there are any further violations of the democratic rights of its citizens" is not only ridiculously pathetic but also consistent with your arrogance to which I have already referred. You are obviously labouring under many a delusion about the political status of this country and its relationship with other sovereign states. Perhaps it might be an aid to your thought processes if I were to advise you that this country has long ceased to be a colony.

5. I would deem it a great favour if, in future, you refrain from sending communications couched in such unacceptable language to our Head-of-State or other senior Governmental functionary in this country.

Kind regards.

Ms Sandra Seeraj, Media Relations Officer for Chief Information Officer, Ministry of Information.

House of Israel Action

FL061608 Bridgetown CANA in English 1558 GMT 5 May 85

[Text] Georgetown, 5 May (CANA)--An American fugitive who heads the religious cult, The House of Israel, has announced the formation of a Council of Religions, as the established ecumenical group, the Guyana Council of Churches (GCC), continues to come under attack from the government.

The self-styled Rabbi Washington, whose followers believe they are the true Black Jews, said 31 organisations with a membership of 27,000 had joined the new group. They include the Christian Brethren, the Pentecostal Assembly, the Church of God, and the Muslim Brotherhood, he said.

The newly-formed council intends to do all in its powers to support government's policies and to aid the country's development, but will not allow itself to become a satellite of any political party, said Washington, whose religious group strongly supports the ruling People's National Congress (PNC).

PNC opponents often accuse the House of Israel of breaking up their meetings.

Washington, who came here in 1971 to evade trial on a number of criminal charges including fraud, said the council had not been formed to rival the GCC but because there has been need for such a body for a long time.

The GCC has found itself the target of much criticism from the government after a working paper prepared by staff members blamed the country's acute economic problems on government policies. The state media have said the document was aimed at bringing down the PNC.

The CATHOLIC STANDARD, official organ of the Roman Catholic Church here, noting the media attacks on the GCC of which it is a member, accused the House of Israel of responsibility for the 1979 killing of its photographer, Father Bernard Darka, while he covered an anti-government demonstration, and said the group was highly favoured by the ruling party.

A member of the cult was sentenced in 1980 to eight years in jail on a charge of manslaughter in the Darke case.

Members of the Council of Religions made their first public appearance on May Day when they joined pro-government labour unions in a march through Georgetown.

CSO: 3298/660

GUYANA

DETAILED PROPOSALS OFFERED FOR PPP-PNG DIALOGUE

Georgetown MIRROR in English 7 Apr 85 p 2

[Letter to the Editor]

[Text] Dear Editor,

I have read the PNC's letter about a request for "constructive dialogue" with the PPP and that the PPP is reported to have said that it will consult with its membership, with progressive political and social forces, labour unions, religious bodies, businesses and with other political parties, etc., to ascertain their views on such request. Although I am not a financial member of the PPP throughout the years I have been actively defending the policies and leadership of the party. I want to tell you that I have a firm faith in the PPP's leadership in Guyana, the Caribbean and the rest of the world. Allow me, therefore, to make the following suggestions for constructive dialogue with the PNC.

1. Withdrawal of the National Security Act.
2. Introduction of machinery for free and fair elections with a guarantee that all counting will be done at all polling stations. Local government elections must also be guaranteed.
3. The RPA must be allowed to function as was done during the 1960 period. All Rice Action Committees must be disbanded.
4. Now that all the major industries have been nationalised, with and by the active support of the PPP, it should be allowed participation in all boards and committees in decision making in their running and functioning.
5. All promotions and appointments must be done according to ability and qualification, notwithstanding racial and party affiliation.
6. Paramountcy of the party must be forthwith removed from all state buildings and institutions.
7. The now infamous 1984 Labour Act, must be unreservedly withdrawn. A national minimum wage, commensurate with present day cost-of-living, must be introduced.

8. The importation and equitable distribution of basic and essential food items, spare parts and machinery must be a top priority to contribute towards improved production and productivity. Importation should be conducted with both socialist and capitalist countries.
9. Private business, both small and large should be allowed to function within the framework of a socialist policy.
10. Remove all vestiges of a bourgeois mentality.
11. National Service must be so designed that the required one year stint should be worked out to allow participation by yearly one month, 2 months, and 3 months periods at various locations, so that participants would enjoy the exercise and not look upon it as a tedious rigour of uncompromising privilege.

The arrogance of "we have no apologies to make" should be discontinued as it has had a disastrous effect on the economy of our beloved Guyana.

In conclusion, let me state that I love Guyana, the land of my foreparents' indentureship. I love Guyana for its bright sunshine and rain forest, for its wide and deep rivers, for its lovely coloured butterflies and chirping kis-ka-dees and twa-twas; for its many-coloured fawns and fauna.

Above all else, I love Guyana from the New River Triangle in the East and the towering Roraima in the West, where no wintry days and nights linger through the weeks and months of October to March each year. May God grant wisdom and understanding to her illustrious sons and daughters to guide her out of the present malaise, so that we can work together to build a rich and prosperous legacy for posterity to cherish.

While it is the best thing to have a National Patriotic Front Government, which is the only solution to the ills of our beloved country, the identity of the PPP, its aims and aspirations, its programmes and policies, its supporters and well wishers must not be sacrificed. The identity of the People's Progressive Party must not be mortgaged. It is my firm conviction that, If Ronald Reagan at 73 can become the President of the United States, Dr Jagan also can one day in the future assume the leadership of this bedeviled country and bring it back on course to be the bread basket of the region.

God's Blessing and Good Luck

Yours Sincerely,

Chandrashekhar
Crabwood Creek

Editor's Note: MIRROR opens its columns to views on this same subject raised by the writer of this letter.

CSO: 3298/660

GUYANA

PPP ORGAN ACCUSES PNC OF DISTORTING PARTY'S ORIGINS

Georgetown MIRROR in English 7 Apr 85 p 3

[Text] PNC is trying to rewrite history. During the recent Republic Day Celebrations, it was stated that L.F.S. Burnham founded the PPP which was split by Cheddi Jagan in 1955.

To put the record straight, the PPP issues the following (See Cheddi Jagan's West On Trial p 173).

In February 1955, Burnham and his supporters attempted to hold a party congress against a background of agitation: "Hold party congress, throw out the extremists and have general elections." However, agreement was reached on 12 February to hold a special conference, not Congress, with a fixed agenda.

At the very beginning of the conference, a Burnhamite, Clinton Wong, rose and moved a motion to suspend the standing rules and orders. The chairman said that he was not disposed to allow the motion unless he knew what the motion was all about. Clinton Wong then said that he wanted to move a motion of "No Confidence" in the present Executive Committee.

The chairman then conferred with the 13 available members present on the platform. Seven of the 13 members objected to the suspension of the standing rules and orders as being in violation of the decision in favour of an exclusive agenda. The chairman, however, ruled that he would permit the motion for the suspension of the standing rules and orders. At that moment, Dr Cheddi Jagan rose to a point of Order to challenge the ruling of the chairman which violated the decision of the Executive Committee. The chairman persisted in his ruling to allow the suspension. Janet Jagan, the general secretary, who was sitting next to the chairman on the platform entreated: "Unity of the party is in your hands. If you go ahead as you are doing, the party will be split; placing full responsibility in your hands."

Burnham ignored this advice and proceeded to allow a motion for the suspension of the standing rules and orders. It was at that point that Martin Carter, Rory Westmaas, George Robertson, Fred Bowman, Lionel Jeffrey, Ramkarran, Janet Jagan and Cheddi Jagan along with some 200 floor members, left the meeting.

After a "walk-out," a new leadership was elected. Burnham replaced Cheddi Jagan as leader, and Jai Narine Singh replaced Janet Jagan as general secretary and the new General Council was made up of a majority of rightists-opportunists who supported Burnham.

GUYANA

JAGAN SPENDS WEEK TOURING ESSEQUIBO COASTAL AREA

Georgetown MIRROR in English 7 Apr 85 p 1

[Text] People's Progressive Party Leader, Cheddi Jagan, was given an enthusiastic reception by citizens on the Essequibo Coast when he visited the area from 30 March to 5 April.

Dr Jagan, along with other leaders of the party met with PPP members and supporters, farmers, businessmen and religious bodies. The discussions surrounded the issue of a political solution in the country. Over 10 well attended public meetings were held from one end of the coast to the other.

Also, Dr Jagan's meetings with a wide cross section of the Essequibo community took place in the light of the party's decision to consult with Guyanese and listen to their views on how the country can move forward from a situation of crisis to one of progress.

At these meetings, a correspondent reports, there was general acceptance of the main line of the party. Dr Jagan and other leaders, including Isahak Basir, MP, and PPP Supervisor of the Essequibo Coast, situated the current struggles for a political solution for a change of the present bureaucratic and parasite state capitalism that evolved under the rule of the PNC. Dr Jagan, however, warned that while the party sought change it does not advocate a course that would take the country backward as right-wing politicians are doing in favouring a path of dependent, distorted capitalism. The PPP, he said, offers the historical imperative of moving the country forward to a revolutionary, democratic, socialist-oriented course.

The PPP leader pointed to the positive changes in Guyana, especially in the movement towards greater racial and proletarian unity and described the recent changes in the labour movement as good signs of the times. The labour movement, he said, is a force for positive change.

The February invitation by the ruling party for PPP/PNC talks engendered wide discussions. Here again Dr Jagan's proposal that a solution based just on cooperation of the two parties was not enough, was widely accepted. There was a positive response to the party's continuing call for a broad front of all left and democratic forces as outlined by the 1977 National Patriotic Front and Government initiative.

The General Secretary emphasised the importance of the party's tactic of unity and struggle--to accentuate the positive and fight negative tendencies. It was in that spirit, he disclosed, that a meeting between the PPP and the Executive of the Trades Union Congress was held.

Speaking to the MIRROR on conditions on the Essequibo Coast, Dr Jagan said the situation is bad and getting worse. He pointed out that during his meetings with residents there were many complaints. Farmers at the moment are fearful of suffering great losses due to irrigation problems. They face problems of bag shortage and delays in milling, especially since the fire at Anna Regina that destroyed the GRB mill.

On behalf of the residents Dr Jagan has issued a call on the government to urgently solve the acute transportation problems, frequent electricity interruptions, shortage of essential consumer items and the widespread discrimination in distribution of supplies in the area of health services, Dr Jagan said the situation is very bad. He proposed that the government services be boosted urgently with vehicles to assist the doctors and other health workers to respond promptly to sick calls.

CSO: 3298/661

GUYANA

PPP OUTLINES POSITION ON VIABILITY OF BAUXITE INDUSTRY

Georgetown MIRROR in English 7 Apr 85 p 1

[Text] The bauxite industry is hoping to rid itself of current ills and return to profitability by 1989. To do this it is envisaged that much needed rehabilitation works, requiring an expenditure of US\$91 million, would be completed by then.

Several sources have been asked to assist and already one transnational, Reynolds, former owners of the Kwakwani/Everton operations, has been contracted to assist in technical and other areas. Arrangements are in train to get help from the EEC and the World Bank. Socialist countries also are being lobbied as likely partners in the resuscitation programme, including the putting into operation of the alumina plant which has been down for several years.

Recently representatives of North and South American customers, United States, Canada, Mexico, and Venezuela (the latter being the latest buyer, ordering this year 250,000 tons) were invited to Guyana to understand, according to Guymine, the constraints of the industry. This public relations stunt is specially geared to improve the image of the industry as a reliable supplier, an image lost over the years due to inefficiency.

Last year October customers from Europe visited the Guyana bauxite operations and Guymine intends to bring here soon customers from Japan.

The recent visitors expressed satisfaction at the operations. Of great importance to the industry was the indication given by the representatives from the United States that Guyana's bauxite is preferable to that of China which also has launched a campaign to get a bigger share of the world market for the product.

The attitude of the customers so far has indicated that the bauxite industry in Guyana may be spared the serious recession experienced by Jamaica and other producers at the moment. This has led to optimism in the industry and the government is pinning great hopes on bauxite sales to help the public sector and the economy as a whole to bail out of the current mess.

Several other foreign firms have been engaged in various works in the industry. Green Construction, initially contracted to remove overburden is now involved in stripping. Others have helped in management, marketing and other vital areas.

These arrangements, says the Finance Minister, "will in no way limit national ownership and control of the industry."

The ownership and control of the industry has been the focus of attention recently. Reactionary elements have been calling for de-nationalisation and blaming the current troubles on the fact of nationalisation. The People's Progressive Party has stated repeatedly that nationalisation was a step forward. The point which the ruling party misses, says the PPP is the need to introduce workers' participation and control and use nationalisation as a vehicle for constructing socialism. The party has called for the public sector to be transformed from being used to build state capitalism.

On that basis it is observed that the improved performance registered last year may not be lasting. Other vital factors such as industrial democracy must be introduced. The government itself admitted this when Finance Minister Carl Greenidge said in his budget speech this year that: "Obviously the industry was helped by some factors outside its control. These factors were increased demand for refractory grade bauxite and the effect of devaluation on its sales receipts."

Calcined bauxite production increased by 64 percent; abrasive grade by 111 percent; chemical grade by 59 percent and alumina cement grade by 25 percent. Only metal grade decreased by 3 percent.

This has led, despite worsening export prices in US\$ terms, to total sales receipts in Guyana dollars exceeding 1983 levels by 73 percent and a reduction of loss on the previous year's level by \$40 million.

CSO: 3298/661

GUYANA

FAIRNESS IN ELECTIONS CONCERNS OPPOSITION FORCES

WPA Views

Georgetown DAYCLEAN in English 13 Apr 85 p 2

[Text] The WPA has made a full statement on the Electoral Mission. The party says that it will support the mission fully and that it is foolish to talk of it as interfering. Under the International Covenant of Civil and Political Rights (ICCPR) which Guyana has signed, not only governments, but citizens are called upon to defend the rights in the Charter. One of these rights is a right to free, fair and genuine elections.

The WPA has pointed out that it was the President of Guyana who came up with the idea of a fact-finding mission--in connection with Grenada, in October 1983. Guyana's head of government was against the invasion of Grenada by the United States and the punishment suggested by the OECS (Organisation of Eastern Caribbean States). He suggested instead a fact-finding mission which he did not see as being in conflict with Grenada's sovereignty. WPA agreed with him.

Many Guyanese have read the letters of the Guyana Foreign Minister in the CHRONICLE to the secretary general of the International Commission of Jurists (ICJ). Representatives from the ICJ and the other two organisations have been denied entry visas to Guyana. The WPA recalls that in 1965, the then Prime Minister of Guyana invited the ICJ to look at sensitive racial problems in the public service. At that time, he wrote that he "could conceive of no organisation or agency more suitable to the task than the ICJ."

WPA suggests that there are two things the Guyana government can honourably do at this point: One--it should grant entry visas to the mission on the understanding that it is not bound by the findings. It should also cooperate with the mission either by presenting its views on the claims of the opposition or by answering questions put by the mission. It should follow up the work of the mission and any report issued by it with a National Consultation on the question of elections.

Two: Alternately, it should appoint a representative National Commission to hear representations on the same issues submitted to the mission with the understanding that it will honour the findings of the National Commission.

The full text of the WPA statement will be available in a few days.

Tennessee Appeal

FL021435 Bridgetown CANA in English 0011 GMT 2 May 85

[Text] Roseau, 1 May (CANA)—A Guyana opposition leader, Paul Tennessee, today urged Caribbean governments to monitor the state's forthcoming general election with a view to ensuring it is free and fair.

Tennessee, who heads the Democratic Labour Movement, made the appeal during a Labour Day rally organised by Dominica's three biggest trade unions.

It followed persistent election-rigging claims by Guyana's opposition parties--assertions the ruling People's National Congress (PNC) has rejected--and preparations for a national poll.

Tennessee, who is based in Canada, said that alleged rampant election fraud, anti-labour legislation, and the rise of a dictatorship in Guyana should be of concern to all Caribbean people.

I say to you in the English-speaking Caribbean: We in Guyana need your solidarity so that we can win the freedom that we all need in that part of the world, so Guyana can re-integrate itself in the tradition of the labour movement of the English-speaking Caribbean, Tennessee remarked.

He urged Caribbean trade unionists to ask the heads of state of Caricom (the Caribbean Community) to take an interest and monitor the elections in Guyana so that we can avoid the sad experience of Grenada, so that we can be able from a very early stage to bring a moral force to bear on the dictatorship in Guyana, so that people in Guyana can have the freedom to elect a government of their choice.

He told the rally: We have the poverty of other countries of the English-speaking Caribbean, but we want to be able to have that poverty not with dictatorship but to have the freedom to choose a government so that we can be able to deal effectively with that poverty.

Tennessee said he had approached a number of democratic institutions such as the European Parliament and the United States Congress seeking support for free and fair elections.

CSO: 3298/661

GUYANA

TUC EXECUTIVE COUNCIL IN ROW OVER MAY DAY OBSERVANCE

Report on Difference

Georgetown GUYANA CHRONICLE in English 18 Apr 85 p 1

[Text] A number of members of the Executive Council of the Trades Union Congress walked out yesterday from the statutory meeting of the Executive Council in protest at the undemocratic manner in which the proceedings were conducted in relation to the forthcoming May Day Rallies. In particular, they objected to the refusal of the TUC President to allow some of the withdrawing members to speak. Permission was refused for one of them even to raise a proposal for discussion concerning the organisation and planning of the Rallies.

The walk-out occurred against a background of considerable dissatisfaction over the way in which the Organising Committee had been handling arrangements relating to the occasion. Withdrawing members, who feared that in the result the arrangements could prove grossly inadequate and lead to embarrassment of the TUC as a whole, expressed grave reservation over the arbitrary and high-handed manner in which the President refused to allow these concerns to be raised and discussed.

Contacted, one of the members who walked out expressed the view that the unwillingness to allow reasonable discussion seemed clearly linked to the deployment of some new political strategy designed to exploit working class solidarity in the pursuit of anti-national objectives.

These sentiments were shared by a number of TUC affiliated trade unions, including some which were unrepresented at the meeting of the Executive Council.

Unions sharing these views, seventeen in all, have since agreed at a meeting yesterday that, with a view to preserving the genuinely working class character of the labour movement, they would organise a May Day Rally at the Square of the Revolution in Georgetown, to which all trade unions in Guyana would be invited. An organising Committee has accordingly been established for the purpose of making the necessary arrangements.

The Unions concerned have also approached the Minister of Manpower and Cooperatives, Cde K.W.E. Denny, and have invited him to be convenor of the Organising Committee. A spokesman for the unions pointed out that Cde Denny has had long and substantial experience in handling mobilization and logistical arrangements for national events.

The unions concerned have also decided to write the Cde President explaining the situation.

Commenting on the situation, one of the Union representatives emphasised that what was involved was not a withdrawal from the TUC but an effort to preserve the essential character of May Day from unnecessary injury arising out of the arbitrary, undemocratic and politically partisan way in which the decision-making process relating to the essential issues had been rail-roaded.

The unions which are involved in this action are:

Guyana Labour Union, General Workers' Union, Amalgamated Transport and General Workers' Union, Association of Masters and Mistresses, Union of Agricultural and Allied Workers, Guyana Cooperative Mortgage Finance Bank Staff Association, National Union of Public Service Employees, Printing Industry and Allied Workers' Union, Postal and Telecommunications Workers' Union, Guyana Local Government Officers Association, G.N.C.B. Staff Association, Manpower Citizens' Association, Guyana Teachers' Union, Guyana Field Foremen and Supervisors Union, Public Employees Union, Sawmill and Forest Workers' Union, Government Employees' Union.

The Committee will announce the details of the Programme for the May Day Rally in Georgetown shortly.

Invitation to Jagan

Georgetown GUYANA CHRONICLE in English 18 Apr 85 p 8

[Text] The Honorary President of the Guyana Agricultural and General Workers' Union, Dr Cheddi Jagan has accepted an invitation from the Guyana Trades Union Congress to address workers attending the rally on May Day.

Dr Jagan for years had declined the invitation to address the workers' rally at which traditionally President Forbes Burnham is the main speaker.

TUC President George Daniels is also listed to speak at this year's rally.

It was also disclosed that four unions, which had also stayed away from the parade and rally for years, have indicated they will participate this year.

CSO: 3298/661

GUYANA

LEADERS, FOREIGN DELEGATIONS ATTEND GAWU 11TH CONGRESS

Report on Attendees

Georgetown SUNDAY CHRONICLE in English 14 Apr 85 p 3

[Text]

A NUMBER of overseas trade union delegations have arrived in the country to attend the Triennial Conference of the Guyana Agricultural and General Workers' Union which opened yesterday at 13:00 hrs at the Mon Repos Primary School, East Coast Demerara.

More than 500 delegates and special invitees are expected to attend the conference which will be opened by Dr. George Bell, a professor at the University of the West Indies in Barbados who arrived in the country on Thursday.

Other overseas delegations have come from the Industrial Union, Transport and Industrial Workers' Union and the All Trinidad Sugar and General Workers' Union, all of Trinidad, the Farmers' Confederation of Cuba and the World Confederation of Free Trade Unions.

Cde. Komal Chand, acting General Secretary of the Union said that this would be the biggest conference ever held by the Union.

Dr. Cheddi Jagan, Honorary President of GAWU is expected to address the gathering.

Messages of Support

Georgetown MIRROR in English 14 Apr 85 p 1

[Text] The 11th Congress of the Guyana Agricultural and General Workers' Union got off to an enthusiastic start yesterday with University of the West Indies Professor, George Belle delivering ed by hundreds of delegates and the opening address. [as printed]

The three-day Congress, attend- observers from work places where the union is recognized, settled down to serious discussions based on the General Council Report delivered by General Secretary (Ag) Komal Chand. [sentence as printed]

The Opening Session was attended by several representatives of leading unions in the country including officials of the Guyana Trades Union Congress.

The Report dealt with developments since the last Congress in 1982 in the local and international scene. A thorough examination was made of the work of the union in various fields aimed at raising the workers living and working conditions and educational and ideological training.

Of immense importance is Guyana's continuing search for unity of the working class and efforts to seek a positive solution to the political, economic and social crisis gripping the country. The issue of the erosion of workers' rights and attacks on the living conditions featured prominently in the discussions.

Honouring the Congress, held under the theme "Towards Unity, Democracy, and Economic Emancipation," are several overseas guests. Present in the country are Cuban trade unionists M. N. Bristelleiro and Julio Simon, Jeronimo Carrera of Venezuela representing the World Federation of Trade Unions, David McDonald Denny from the Barbados Industrial and General Workers' Union, S. Ramroop, B. Maharaj, P. Mohammed and Boysie Moore Jones of the All-Trinidad Sugar and General Workers' Trade Union. Guests from the Soviet Union were delayed because of visa problems in Jamaica.

Many messages were received from local unions. A message from the Guyana Trades Union Congress said that "GAWU as the largest union in the sugar industry must see its role as one of the principal representatives not only of workers in the industry but the people of Guyana, in the management of the industry, upon which the salvaging of our economy so much depends." Messages were also received from the GLU, GMMU, PSU, UGSA, MPCA and the GFF&SU.

Greetings to the Congress were sent from fraternal unions in Algeria, Angola, Canada, China, Czechoslovakia, Hungary, Jamaica, Kenya, Portugal, PPP UK Branch, Suriname, St Vincent, South African Congress of Trade Unions, USSR, United States, United Kingdom, World Federation of Trade Unions and Yugoslavia. Messages are still pouring in.

In the course of the Congress, Honorary President of the GAWU, Dr Cheddi Jagan will deliver a feature address to participants and is expected to deal with the latest political developments in the country and solutions to the present crisis.

The Congress will also elect a new General Council that will govern the organisation until the next Congress.

Denny Address

Georgetown GUYANA CHRONICLE in English 15 Apr 85 p 3

[Text] Minister of Manpower and Cooperatives, Cde Kenneth Denny, has urged the Guyana Agricultural and General Workers' Union (GAWU) to help government improve economic and industrial conditions and the lot of workers in general.

Addressing the opening session of the 11th congress of the GAWU, Saturday, Minister Denny invited the union to prepare a document on these issues and submit it to his ministry.

Cde Denny stressed government's belief in the involvement of the people in decision-making.

Noting that government recognises the role of unions in protecting the workers' interest, Cde Denny said government too is protective of the workers and will be quickening the pace of certain legislation.

He referred to the situation which led up to the appointment of the Fred Eytile Arbitration Tribunal to probe the Lysons' Knitwear strike and said the report would be made public as soon as possible.

Earlier, the President of the Guyana Trades Union Congress, Cde George Daniels, echoed the call made by Professor George Bell for the GAWU to work for unity in the Trade Union Movement.

He declared that GAWU must see itself in the forefront of the struggle for working class unity.

Professor Bell, of the UWI Barbados Campus had called for unity among workers in Guyana and the Caribbean.

Declaring open the GAWU conference at Mon Repos Primary School, Professor Bell told hundreds of delegates and invitees he hoped that one day the union would stand as a main pillar in the development of revolutionary socialism in the Caribbean.

Dr Bell urged workers to protect their gains.

He spoke of growing social problems in Barbados, among which he listed drug abuse and crime and what he called "the declining economic situation." (Albert Alstrom)

WPA Organ's Coverage

Georgetown OPEN WORD in English 15 Apr 85 p 2

[Text] Sugar workers showed their strength on Saturday last as their delegates and observers filled to capacity the large Mon Repos school hall to achieve a vibrant opening of GAWU's 11th Congress. Also taking part were many foreign and Guyanese trade unionists and Minister of Manpower Denny who delivered the first greeting.

GAWU members from throughout the sugar belt kept arriving in waves before the starting time. There was a solid female representation, mostly from weeding and fertiliser gangs as well as representation from field, factory and other sections of the industry.

The opening session, addressed by guest speaker Dr George Belle of Barbados, marked the growing unity of the regional labour movement and in a special way, of the Guyana movement. Dr Belle was introduced by Dr Cheddi Jagan, Honorary President of GAWU, TUC General President George Daniels, Montero Briatelleiro and J. Simon (Cuba), S. Ramroop, B. Mahraj, P. Mohamed, Boysie Moore Jones (All Trinidad Sugar and General Trade Union), Cdes Jones and Hewitt (Transport Workers Union of T&T) McDonald Denny (Barbados Industrial and General Workers Union), L. Baggan and L. Parsram (OWTU) and J. Carrera (WFTU) were on the platform along with other unions. Other special invitees included Selwyn Felix (PTWU), Walter Richardson (GMWU), Leslie Melville (GPSU), Lincoln Lewis (GBSU), S. Teemal (NAACIE), Fr Morrison (CATHOLIC STANDARD), Albert Alstrom (CHRONICLE), Eusi Kwayana (WPA), Guysuco officials and many others.

Cde Clinton Collymore greeted the Congress on behalf of the PPP. He said that in 35 years the PPP had defeated right and left opportunism and raised the quality of life. There was now "little money to pay adequate wages and salaries" and "a political solution was now on the agenda," he said.

A GAWU executive official welcomed the guests with a stirring review of the Union's struggles and the regional climate in which it was operating. In introducing the foreign delegates, Dr Jagan said GAWU owed OTWU a debt of gratitude for their concrete solidarity in the 1977 sugar strike when OTWU refused to load oil for Guyana.

Minister Denny took pride in the fact that the unions of Guyana, despite political differences were in the same TUC. He said that government would soon move on the Trade Unions (recognition) Bill. He caused laughter and amusement in the hall when he said, "The PNC stands for justice."

TUC President George Daniels read a message from the TUC which said that the 1955 split in the national movement was still plaguing the trade union movement. He said that the TUC was committed to socialist objectives but that it would insist on fair and free elections at the national level and in the unions, and would oppose the use of threats, intimidation and coercion and would defend the people's right to decide. He said that changes in the sugar industry were necessary to ensure emancipation and that GAWU should see itself not just as a representative of sugar workers but of the whole country.

GUYANA

TEACHERS UNION APPROVES 37 MOTIONS AT ANNUAL MEETING

Georgetown NEW NATION in English 21 Apr 85 p 8

[Text] DELEGATES to the just-concluded 101st annual conference of the Guyana Teachers' Union have recommended that, among other things, a new system of accumulative leave be introduced for teachers and that there be an increase in tax-deductible personal and family allowances.

The conference also urged the Education Ministry to grant recognition in some tangible way to the nation's teachers who have given long and dedicated service.

In addition, the GTU's membership approved a proposal for schools' athletic sports to be held during the second term of the school year and called for introduction of the teaching of the Marxist-Leninist ideology at all learning institutions as well as the issuing of certificates to teachers contributing to the Personal Investment Account scheme.

In an interview shortly after the conference, Union officials said that they were pleased with the outcome of four-day deliberations. Several of the issues dealt with at the conference will be raised with the relevant agencies for early solutions and possible implementation, they explained.

Of the 53 motions discussed by the teachers, 37 were approved. Three were deferred to special committees for con-

sideration and the remainder were either defeated or withdrawn.

A suggestion that associate members be eligible for election to any office in that union was "thrown out." Associate members are either retired teachers who still hold their membership in the union or non-practising teachers.

In a speech to the teachers, Minister of Education and PNC Central Executive member Cde. Malcolm Parris suggested that the Union considers holding the schools' athletics sports during the Third term of the school year thus giving the students enough time to settle into their new schools and classes.

The Sports Committee of the Union has, however, suggested that the sports be held during the second term and cricket competitions, during the first term.

The non-issue of documents to teachers who are involved in the Personal Investment Accounts was discussed at length. The Union has decided to hold further talks with the Ministry of Finance and the Ministry of Education on the matter.

According to an agreement signed between the Education Ministry and the Union, the teachers'

compulsory contribution to the schemes comes to a close at year-end. The agreement also stated that teachers would be issued with their certificates, indicating contributions, Union officials explained.

During the discussions on the matter, some teachers indicated their willingness to continue contributing to the schemes. Some have said they want to increase their contributions.

The Union also proposed to make recommendations to the Ministry of Education with a view to easing the acute shortage of teachers in some of the country's schools.

In addition, Union members are contending that teachers should be allowed to accumulate their leave, as is the case in other ministries and agencies. At the moment, after five years of continuous service, a teacher is allowed one month "Whitley Council" leave. Failure to apply for this leave when it is due results in its forfeiture.

For a period of 20 years or more, the Union membership is recommending that the teacher should be entitled to six months leave.

GUYANA

UNIONS ASK HELP OF ILO IN SECURING BASIC UNION RIGHTS

Georgetown CATHOLIC STANDARD in English 21 Apr 85 p 2

[Text]

SIX UNIONS, representing more than half the labour force in Guyana, have written to the International Labour Organisation (ILO) calling attention to the critical situation of the unions and asking it to do everything possible to secure respect for fundamental trade union rights in Guyana.

"As a result of Government policy," the letter states, "fundamental norms and principles proclaimed in accepted international labour practice are being deliberately and systematically flouted".

The six unions - NAACIE, GAWU, CCWU, GMWU, UGSA and GBSU - are the same that joined with six Churches, the Bar Association and the Guyana Human Rights Association in asking three international bodies to send a team to look into the electoral process in Guyana.

"In view of the gravity of the situation and the steady deterioration in respect of Trade Union rights", the unions write, international defence and support of fundamental ILO norms and principles are critical".

Enclosed with the letter is a dossier on the victimisation of workers as a result of trade union activities, and a document giving

a full account of the Labour Amendment Act #9/1984.

The dossier relates how the two bauxite unions took strike action in May 1983 on a one day a week basis for adequate supplies of basic food items, and in protest against the dismal food situation within the mining community.

Guyamine retaliated by reducing the working week from five days to three days a week.

The bauxite unions called a general strike in the industry which lasted for six weeks.

When the strike ended, management dismissed 1,721 workers under the guise of retrenchment.

All the shop stewards from both unions were sent home and workers who were seconded to the union staff were also affected.

Efforts by the TUC and the unions to secure the reinstatement of the workers and the restoration of the status quo prior to the strike were unsuccessful.

Another example of victimisation is given of five workers being dismissed, three from state entities and two from a Trade Union, after a TUC conference in Sept. 1984, in which the majority of the delegates took an independent

stand and voted a new executive in office, the majority being independent trade unionists.

"It is alleged that these workers voted against the wish of the ruling party," the unions say.

Victimisation is also alleged in a dispute between Seals and Packaging Industry Ltd., in which the Government holds the majority of shares, and NAACIE.

Concerning the Labour Amendment Act, the document states: "It is clear that many fundamental principles governing the process of collective bargaining, the Rule of Law and respect for Trade Union rights have been violated.

"The Trade Unions cannot operate freely under such a law ..."

"A pronouncement of the ILO on this Act could assist greatly the Guyanese workers in these dark days of Trade Unionism," the document concludes.

CSO: 3298/662

GUYANA

PPP ORGAN LINKS TENNASSEE TO CIA-BACKED ORGANIZATIONS

Georgetown MIRROR in English 14 Apr 85 p 1

[Text] "Show me your friends and I'll tell what you are" can be aptly applied to the fringe rightwing political group which calls itself the Democratic Labour Movement, led by one Paul Tennessee.

The Movement has now affiliated itself with the World Confederation of Labour (WCL) exposed as a cover for CIA operations.

In its 22 March bulletin the DLM boasted that the WCL 'is non-aligned' and is a 'world labour movement' which has affiliates in Western Europe, Africa, Asia, Carib-Latin America, the USA and Quebec, Canada. The majority of the affiliates, it stated, are from the third world. WCL, it added, maintains an 'independent line' vis-a-vis the USA and the USSR.

How 'non-aligned' and 'independent' is Tennessee's new friend, the World Confederation of Labour, has been exposed by one-time CIA agent Philip Agee in his book, "Inside the Company." Agee, now on a full-time commitment to unveil CIA agents and their dirty work overseas, describes the WCL as the 'international Catholic trade union organisation used as a mechanism for CIA labour operations.'

Tennessee himself has his political origins or political baptism in the Justice Party, (JP) a CIA-front organisation that was founded during the 1964 general elections to split votes away from the PPP, and in favour of the PNC. Tennessee, then in high school, was provided a JP motor cycle. His father, who had access to JP funds, drove around in a lift-back motor-car—all of which were thrown into the anti-communist and racist campaign to oust the PPP and Cheddi Jagan from government, and correspondingly to catapult the PNC into office 20 years ago.

Tennessee seems to like the abbreviation "C.I.A.", having ironically tagged it to his ill-fated 'Community Involvement Association' (CIA) at Alness, Corentyne.

The 'CIA' founder had also founded the Right to Work Association which has folded up.

CSO: 3298/663

GUYANA

BRIEFS

LOAN FROM IDA--Guyana and the International Development Association (IDA), the soft loan affiliate of the World Bank, recently signed an 8.8 million (US) dollar loan agreement for the Upper Demerara Forestry Project. The development credit agreement was signed by the IDA and the local Ministry of Finance, which has an on-lending relationship with Demerara Woods Limited. And another agreement--a project agreement--has been signed between the IDA and Demerara Woods Limited. This project agreement sets out guidelines for the utilization of the 8.8 million (US) dollar loan. The money will be disbursed over a two-year period, beginning later this year. It will be used to purchase machinery for the finishing of wood and wood products, and for the construction of community facilities, including schools and a hospital, at the Mabura township. The project agreement also provides for consultancy services from the World Bank for the Upper Demerara Forestry Project. The two agreements were signed 15 March in Washington by Guyana's Ambassador to the United States, Dr Cedric Grant, who signed on behalf of the two local agencies and the IDA President. [Text] [Georgetown GUYANA CHRONICLE in English 19 Apr 85 p 1]

GAIBANK LOAN PLANS--The Guyana Cooperative, Agricultural and Industrial Development Bank [GAIBANK] expects to disburse about \$60 million in loans for agricultural and industrial development this year, GAIBANK Manager John Butters has disclosed. The emphasis in 1985 would be on the improvement on project appraisals for loans as well as better monitoring system through the system of regionalisation, he told a panel of journalists. Responding to questions during the Guyana Broadcasting Corporation, weekly radio programme "Face the Nation," Cde Butters said increased disbursement will be made this year as a result of significant external funding. The Inter-American Development Bank has recently approved a loan of \$28 million (US) to be disbursed by GAIBANK for an industrial programme. Explaining the criteria being used for the financing of projects, the GAIBANK official noted that priority is given to entities which earn foreign currency and those which utilise local raw materials. He observed however, that local entrepreneurs seem to have a tendency to shy away from projects involving the use of indigenous materials, a tendency which the bank seeks to discourage. GAIBANK, he added, also places emphasis on agricultural production for export, for which there is great potential in the Caribbean. According to the Banking official, the local financial institution performed favourably last year. (GNA) [Text] [Georgetown SUNDAY CHRONICLE in English 21 Apr 85 p 1]

MEXICO

TUXTLA GUTIERREZ CLERIC CITES THREATS TO CHIAPAS STABILITY

Mexico City EXCELSIOR in Spanish 10 Apr 85 States section pp 1, 2

[Part II of 4-part series on Chiapas carried by EXCELSIOR, 9-12 April 85; by EXCELSIOR correspondent J. Jaime Hernandez]

[Text] Tuxtla Gutierrez, Chiapas, 9 Apr--Trouble is brewing in Chiapas. Its strategic location has made it the scene of actions that could have destabilizing impact and the target of outside interests that see Mexico as a back door for their incursions. Chiapas is in the gunsight of organized international destabilization.

In the face of a potential cataclysm, Chiapas remains unarmed, defenseless, weakened by a lack of coordination among public officials, by a power vacuum in a government that has several faces here and by the apathy and frustration of a people who, their aspirations quashed, make routine, "business as usual" headway towards minimally acceptable living conditions.

"In Chiapas, an army of poverty marches atop a layer of wealth," Monsignor Felipe Aguirre Franco, the auxiliary bishop of the Diocese of Tuxtla Gutierrez and the Church's main voice in this state, told EXCELSIOR. "That's why the authorities must come up with real solutions, not just build little town squares."

"Chiapas," Monsignor Aguirre adds, "is a state that has been neglected by the central government and that suffers from age-old problems that have intensified to explosive levels today: insecurity in land tenure, bossism and, perhaps the main problem, the many, many peasant disadvantaged peasant farmers who are being exploited."

Official statistics show that 61 percent of Chiapas total population of 2.5 million lives in rural areas, while just 39 percent reside in urban zones.

"I speak out because I regard myself as a free voice and I do so in public and in private," says Monsignor Felipe Aguirre from his small office in San Marcos Cathedral, located just a few steps from the Government Palace, a grayish complex that contrasts with the white, colonial-style church the hands of whose clock mark the precise minute of the day.

Wearing a spotless white guayabera and a metal crucifix that stands out against his chest, the 51-year old monsignor received this reporter to discuss the most burning state issues from the Church's perspective.

"Chiapas is in the gunsight of the national and international destabilizers, who see that it is very close to Central America and who realize that its economic potential represents its very lifeblood as well as prosperity for much of the southeast."

"This state provides more than a third of the nation's hydroelectric output, accounts for 40 percent of the country's hydrocarbons production and supplies almost half of its coffee harvest.

The man who has represented the Church for more than 10 years in the state has the following to say about its problems of time and space:

"I am in favor of changing the society in which we currently live. Inside, I rebel against the present structures of oppression and exploitation of man and natural resources. This is why I intend to help society and the world seek new horizons and courses, even if we have to run the greatest of risks."

"That sounds revolutionary," remarked this reporter.

"Perhaps," he replies cautiously, "but in any event it would be a revolution in the name of the Gospel. We have to do away with violence... Before thinking about toppling structures through the class struggle, we have to think about changing man."

The greying, athletic-looking Monsignor Aguirre, who is constantly visiting villages, hamlets and Indian communities throughout the state, gives well-thought-out, concise answers to questions.

"The Gospel does not ask for alms from any ideology, either Marxist or capitalist. By this I mean that the Church serves man on the basis of the Gospel, and we don't care whether people are on the right, in the center or on the left. We take sides in their struggles, but not in the struggles of their parties."

In this connection, the clergyman explains how peasant farmers have been used as just so many cogs in a campaign machine by political groups that have capitalized on discontent in the countryside to improve their political standing.

"The peasant farmers of Chiapas are politically, social and economically disadvantaged people who are paid attention to only when parties want their votes or their attendance at marches or sit-ins that do them absolutely no good. These are the exploited people who no longer believe in anything, who see that their labor is worth nothing and who matter to no one.

"Their severe political and cultural underdevelopment and their shocking illiteracy have made them the most vulnerable and the most downtrodden segment of our society."

Agricultural censuses in the state reveal that more than half of the arable land is in the hands of large estate owners.

"There is administrative chaos when it comes to solving agrarian problems, an excessive bureaucratization that has allowed problems to worsen from administration to administration," the monsignor notes.

"Flanked by two large pictures of Paul VI behind him, Monsignor Aguirre stands up to emphasize a point: "The Church does not manipulate; it helps." He immediately goes on to say: "The clergy must be involved in politics, but not in partisan politics, in the politics of the common good."

"As a bishop and as a Mexican, 'I do not deny my parish's cross.' I cannot and must not be involved in any political party, but I do have to be a faithful servant of the community and be committed to the noble causes of the people."

The monisgnor, who has seen four governors come and go (Manuel Velasco Suarez, Jorge de la Vega Dominguez, Salomon Gonzalez Blanco and Juan Sabines Gutierrez), then says something that almost sounds like a proposal:

"The Church and the government ought to work in parallel for the good of the peasants. There is cooperation from our side, the clergy, the Church, and the government must bear in mind that we have pushed strongly for unity."

The Work of the ILV [Summer Institute of Linguistics]

At this point, I asked Monsignor Aguirre about an association that is engaged in efforts that are precisely the opposite of what he says the Church is after: unity. The ILV has waged campaigns that far from benefiting the peasants or the Indians (one quarter of the people of Chiapas are Indian), have brought the dissolution of groups that have been united and homogeneous for ages.

"The Summer Institute of Linguistics is doing a marvelous job in practicing a colonialism that is dividing and destroying our communities," he asserts.

The Catholic clergyman (91 percent of Chiapans are Catholic; the other 9 percent are Protestant) adds that the ILV is currently engaged in an intense campaign in southeast Mexico. "Chiapas," he noted, "is one of the states where the presence of this institute is strongest, with its linguistics experts who are generously paid by the U.S. Government."

"I know them, I have dealt with them, and I know that some of them are acting in good faith." In the opinion of the bishop, the institute has scientists and experts who are doing "admirable work" in translating the Old Testament.

No sooner had he said this than he stood up from his chair to show me a bible translated into Zoque, picking it out from among the small number of volumes he has arranged on a short bookshelf.

"Isn't this admirable?" he asked smiling, as he leafed page by page through the translation. On one finger of his pudgy hands he was wearing a beautiful gold ring engraved with the image of a cathedral. "It's a marvelous piece of work."

Seeing the reporter's unresponsiveness, the monsignor put the book back in its place and returned to his seat.

"Well, the fact is that although this institute prepares excellent biblical material, it also undeniably engages in colonialism."

The ILV prepares and distributes materials among a multitude of Protestant sects arriving from the United States, through which it does its proselytizing. These sects (Jehovah's Witnesses, Seventh Day Adventists, Nazarenes, Presbyterians and the Pentacostal Church) have spread out among indigenous villages such as Pantepec, Tapalapa, Coapilla, Ocatepec, Copainala and Tecpatan, among others.

"The ILV," he indicates, "has been the source of the negative developments that we are witnessing: the loss of our indigenous cultures, religious clashes that often carry over to the political arena, and the use of these sects as fronts for intelligence operations."

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CSO: 3248/359

MEXICO

ZACATECAS BISHOP REJECTS VIOLENCE, MATERIALIST IDEOLOGIES

Mexico City DOCUMENTACION E INFORMACION CATOLICA in Spanish 18-25 Apr 85
pp 313-314

[Text] Editor's note: Monsignor Javier Lozano Barragan, the bishop of Zacatecas, herewith makes public statements about the upcoming elections. Though he has been interviewed on several occasions, his thoughts have not been interpreted accurately. He thus wishes to make them clear in the following statements, which the members of the Diocesan Curia endorse. The complete text of his statements bears the date 11 March 1985.

The Upcoming Elections

1. In several press interviews I have been asked about violence and other matters having to do with the upcoming elections. In the following lines I would like to put forth some ideas in this regard, inasmuch as my thoughts have been misrepresented. No one wants violence at any time during the forthcoming elections, but in order to prevent violence, certain preconditions must be in place. These preconditions are:

a) Political party pluralism must be accepted. What does this mean? It means not thinking that there should only be one party and not blaming the other political parties for everything. It means not thinking that a single group of people is in the right and that everyone else is in the wrong.

b) It means that as Mexicans we must all realize that there are many different ways of viewing the common good, which boils down to the economic, political and social conditions that Mexicans require to fare well as individuals and as a nation. This is basically what a political party is: a specific way of viewing the common good and of proposing this view to society.

c) What these different approaches have to guarantee is man, human dignity, because the common good is for man.

d) If a party's conception of the common good enslaves man, if a party impairs the inviolable dignity of man, if a party proposes dictatorships, then we say that this party should not be voted for.

2. I have been asked: Does the Church forbid people to vote for a leftist party? My response is as follows: It is very difficult to speak of politics in mathematical or geometrical terms and say this is rightwing or leftwing. In everyday parlance, especially in political jargon, anything leftwing is good, and anything rightwing is bad, because rightwing is understood to mean exploitative capital, and leftwing to mean the rights of the people. In this sense, the Church would be anti-Right and pro-Left. But there is a huge element of demagoguery here, because the mask of the people has been used to disguise dictatorial, totalitarian ideologies that destroy human dignity, such as Marxism-Leninism. In this case, the Catholic Church tells Catholics that they should not vote for a party that destroys the dignity of the human person.

3. Marxism-Leninism, as an ideology and as a praxis, destroys human dignity. Therefore, we should not vote for a party that adopts Marxism-Leninism as an ideology, as a party spirit. We are defending the dignity of the person. We are not for the Right or the Left; we are for the dignity of the person, of man, for the salvation of man, not for the salvation of capital that is unjust and not for political demagoguery.

4. I have also been asked whether Marxism-Leninism is a threat to world peace. I have replied thus: Both Marxism-Leninism and liberal capitalism are unquestionably a threat to world peace. Materialism, which is based on and aims solely at wealth, is called capitalism when one has such wealth and is called Marxism-Leninism when one does not and wishes to. This is a low-minded, short-sighted view of life, devoid of transcendence or depth; it is mere consumerism, an attempt to satisfy only immediate, not future needs. This is a narrow-minded humanism, a dead end.

5. These are facades, and this is what is ruining us Mexicans. When we set about examining something, such as elections, on which the future hinges, we must go beyond facades and superficialities such as leftwing and rightwing, Marxism-Leninism and liberal capitalism. We must think creatively about shaping and educating future generations of Mexicans, avoiding the approaches and frameworks of the past. We must not copy the Yankee or the Russian outlook, because after all each would just make Mexico a dependent, enslaved country.

6. We Mexicans are entitled to freedom, a freedom that means being interdependent, not dependent, which is different. From today on, let us be foresighted and establish the basic preconditions to prevent violence: respect for the dignity of the human person and respect for the beliefs of each individual. Never violence.

7. In conclusion, I have been asked whether by voicing these thoughts the clergy is not getting involved in politics. My answer is that there are two ways of looking at politics: as a science of the common good and as partisan politics. The clergy must not involve itself in partisan politics. But it should guide the faithful as to how they can extend Christ's charity into their daily lives and, therefore, into politics as the science of the common good. Such politics is one of the best ways to practice charity, which must not remain divorced from just distribution, which demands the right man in the right place for the good of society.

Zacatecas, Zacatecas, 11 March 1985

[signed] Javier Lozano Barragan, Bishop of Zacatecas

Note: As members of the Diocesan Curia, we endorse these statements of his excellency the bishop.

Father Vicente Garcia Bernal, vicar general
Father Conrado Romulo Puente Avila, administrator of BB.TT.
Father Pascual Davila P., episcopal vicar
Father Angel Campos Mota, secretary general

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CSO: 3248/358

MEXICO

SALTILLO CHURCHMAN CRITICIZES PAN

Mexico City EXCELSIOR in Spanish 6 Apr 85 States section p 20-A

[Excerpt] The Church has called on the authorities to respect people's votes at the upcoming elections and has asked citizens to vote "responsibly."

The archbishop of Ciudad Juarez, Adalberto Alemida, indicated: "Although we know that we are not supposed to become involved in politics, it is our duty to make the people aware that they should vote for deserving candidates." Separately, the spokesman of the bishopric of Saltillo, Jose Bonafox, said that the Church wants Mexicans to resolve their political differences peacefully.

Adalberto Alemida y Merino indicated that citizens have the responsibility to elect their finest representatives and not to allow injustices to be committed.

He stated that after an election, citizens should monitor the performance of their representatives in the Chamber of Deputies and call for their removal if they are not doing their job.

Jose Bonafox said that the Church was mankind's only option for surmounting the crisis of values and finding peace.

The crises of values among both individuals and nations are bringing us ever closer to another world war, he said, reiterating that the Church condemns the violence that certain political parties, such as PAN [National Action Party], resorted to during the past municipal elections in Coahuila.

It also condemns "the totalitarian actions that have been taken under certain circumstances to keep PRI in power even though it has been defeated at the ballot box."

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CSO: 3248/358

MONTserrat

FINAL PART OF INTERVIEW WITH CHIEF MINISTER OSBORNE

Plymouth THE MONTserrat TIMES in English 12 Apr 85 p 7

[Second and final part of interview with Chief Minister John Osborne by Keith Bramble, staff reporter, date and place not specified; for the first part of the interview, see JPRS LAM 85-045, 21 May 1985, pp 103-104]

[Text]

QUESTION: Do you think, Sir, that the qualifying regulations of the CBI plan are too rigid?

ANSWER: I do not think that we can make a general statement about all of the qualifying regulations. Most of them are quite reasonable while others could have been made a little easier. For example, the list of items which are not eligible contains clothing and certain types of leather products and footwear. This we find somewhat rigid especially when one realizes that uppers without soles would be eligible.

On the other hand, eligible products are required to meet a 'rules of origin' criterion. That origin rule states that at the time of entry in the US, 35% of the value must have been added in the beneficiary country. So simple combining or packaging operations, or dilution with water or some other substance would generally not meet this requirement.

In order to qualify, the product would need to be either wholly the growth, product or manufacture of one or more beneficiary countries, or it must be substantially transformed into a new or different article of commerce, which is then used

to make a new or different article

Such a requirement would force the beneficiary countries to develop their production and manufacturing capability. And there are many other rules of this sort which one can hardly argue with. You don't expect a country to give you one-way duty free privilege, and then leave it open-ended so that you could order things from other countries and reship them.

QUESTION: Sir, what has been the response of the British Government to your request for an increase in aid?

ANSWER: Very simply stated, I think it has been very favourable and I wish it were even better. Let me deal with the favourable part first.

In 1979, the amount of British Aid Montserrat received was \$238,000.00 and in the last five years (1980 - 1984) we averaged over EC \$4M per year, with a high of EC \$6,252,000.00 in 1982. That is definitely a substantial increase.

In terms of my wishing it were even better . . . let me explain. I would like to see the British Government decide as a matter of policy to give us one

relatively large project every 4 or 5 years (in addition of course to amounts which we now receive). They could help us identify a project, help us work out the details and finance it for us. And while that one is being implemented the search begins for another, so that every four or five years we get one large project.

If this happened, we would reduce our economic dependence to the point where such assistance would no longer be necessary.

QUESTION: *In light of the fact that the Montserrat economy has slowed down considerably, has the Government's views on independence for this 39 square mile territory changed any, Sir?*

ANSWER: Government's position on the question of independence is still that as has been outlined in a statement issued by the Executive Council. The statement is as follows:

The Government considers that independence is both inevitable and desirable provided it is preceded by Montserrat achieving a level of economic and financial viability sufficient to sustain it as an independent state. And to this end, it is the Government's intention to seek from H.M.G. and other aid donors levels of aid necessary to achieve such viability.

The grant of independence will not be sought without the support of the majority of people of Montserrat.

QUESTION: *Sir, are you in a position to comment on the reaction of the British*

Development Division to the proposals forwarded by Messrs. Gold and Gibbs for the development of Little Bay?

ANSWER: As you are aware the Little Bay project as presently perceived, requires both public and private sector financing. Both BDD and CIDA have indicated their willingness to assist with the public sector portion. You also know that BDD has already spent over EC \$1.5M and is presently spending more. They have purchased the estate, financed the Halcrow Fox Feasibility Study, and the access road and are presently financing a consultancy to search for reputable and able potential investors. In addition the CDB has promised to assist.

Now BDD has stated that they will only contribute to the public sector portion if substantial capital investment is forthcoming from the private sector. The Gibbs and Gold proposals do not project substantial private sector investment in a manner that will attract BDD funds.

Let me go further though. The consultancy I referred to above is presently at work. They are open to considering all interested parties and will be letting us have their report by mid 1985.

So any investors, including Gibbs and Gold, who are interested in the project, who think that they have the capability financially and otherwise, need only contact the Consultants (who are working on our behalf) and have their proposals assessed.

MONTSERRAT

DETAILS OF GOVERNMENT'S PUBLIC-SECTOR DEVELOPMENT PLAN

Plymouth THE MONTSERRAT TIMES in English 26 Apr 85 p 10

[Text]

Aid flows must exceed all previous levels for the Montserrat Government to achieve the total implementation of its new 60-page Public Sector Development Plan estimated to cost EC \$86 million over a three year period.

Schemes are neatly costed but in most cases the source of funds is listed as "unknown."

Government planners concede in the introduction to the plan. "This is of course a very ambitious programme and far exceeds anything which donors have been willing to make available in the past.

"It will, unfortunately, have to be almost entirely donor financed for the foreseeable

future.

"There are no prospects for recurrent budgetary surpluses of any significant size for the next few years. Already the 1984 budget seems unlikely to have recorded an appreciable surplus, and the prospects for 1985 are that things will be very tight."

The planners say the plan was produced "primarily in response to donors' request that government's development strategies and priorities be articulated in a document such as this."

Agriculture, industry and tourism are the main priority areas on the economic side while housing, education and health are emphasized on the social side.

Where the money will go

Tourism, including Little Bay	\$21,300,000
Industry and Energy	6,560,000
Finance and Audit	3,460,000
Education and Libraries	5,798,000
Health	3,283,000
Housing and Community Services	9,563,000
Electricity	4,617,000
Water	4,938,000
Seaport	2,980,000
Roads and equipment for PWD	6,295
New airport at Trants	22,000,000

12 June 1985

PERU

APRA SAID STILL LACKING DEFINITIVE ECONOMIC PLANS

Lima INDICES DE LA ECONOMIA in Spanish May 85 p 1

[Text] "Alan Garcia is taking so long to name his economic team because he has no people," a high-ranking public official commented worriedly the other day. "You are wrong," replied a colleague, "the problem is that he has too many people, and he doesn't know which to choose." To a certain extent, this response was correct; the new government has such an array of options with so many subtle differences that reconciling them and merging them will take not only time but also political savvy.

Rather than names, the problem lies in choosing among programs and specific measures. Inside the trenches of the American Revolutionary Popular Alliance (APRA), representatives of different factions, ranging from what someone has called "monetarist Aprism" to the self-proclaimed, dyed-in-the-wool statist, have heaped criticism on the economic policies of the current administration.

For example, it was not long ago that a noted economist at the National Economic and Planning Council (CONEPLAN), Jayzuno Abramovich, suggested an immediate hike in gasoline prices and a retreat from the aversion to the so-called "maxidevaluation." He pointed out that the monthly adjustments had stopped being "mini" some time ago. It was difficult to differentiate between these suggestions and those that Richard Webb was making at the time in his debate with Sandro Mariategui and his "Muppets." Today Abramovich must be kicking himself everytime he hears the words "reservoir" or "exchange controls" in his party.

On the other hand, the new president's criteria for the "Cosmos" team, especially leaders Javier Silva Ruete and Manuel Moreyra Loredo, are also clear. The problem is that certain aspects of the alternative program that they have been advocating openly contradict the proposals advanced by the candidate throughout the campaign.

Just a month ago, Manuel Moreyra stated publicly that one of the pillars of the new economic system should be the reduction of consumption for 2 years in order to absorb external and internal imbalances. Moreyra also proposed that domestic savings be given priority, considering that the future prospects for indebtedness are truly horrific.

But how will the new administration satisfy all the expectations for the reactivation of production and the improvement of living standards, expectations that were aroused by its own political message, if it pursues a policy of cutting consumption?

"When a family does not have enough income, it either spends less or sells the television set," said former Minister Luis Barua Castaneda, and Moreyra feels the same way. The problem arises when selling the television set does not generate enough income to meet debts.

Here, the major difference is that because of his specialization, Moreyra is much closer to the "gap theory" than the pro-reactivation theories. He was justifiably concerned about the fiscal gap, the external gap, and the savings gap, not the gaps between city and country, rich and poor, Lima and the interior, which were the leit motiv of the campaign speech.

Garcia, on the other hand, is more drawn to the proposals on the foreign debt that Moreyra has been advocating for some time. The former president of the Central Reserve Bank (BCR) contends, as Richard Webb proposed to the current administration a year ago, that it is possible to survive for a while without an agreement with the International Monetary Fund by engaging in bilateral negotiations with creditors. During this time, all the economic measures that Jacques de Larosiere's technocrats would consider heretical could be adopted, and then with the program already in place and working, attention could return to a letter of intent.

A third current of thought in APRA is that of CONAPLAN. Its headquarters, on the little street of Ignacio de Loyola, has become the fortress of the reactivators. Publicly, moreover, Alan Garcia has given more than one indication of support for the group headed by Luis Alva Castro, meeting with them after his victory and including them in the most important working meetings.

In addition, this is the origin of much of the speech he gives in specialized forums. Even so, other APRA sectors have warned Garcia of weaknesses in CONAPLAN's proposal. For example, how can the corruption, bureaucratic red tape and inefficiency that accompany any import controls be curbed, and how can the currency be defended from speculative schemes, when a differential exchange rate is openly proclaimed?

The final choice will have to come out of this overall picture. The approach selected does not have to follow any particular line, contrary to expectations and predictions. All indications are that Garcia will implement a presidential style of managing economic affairs much more directly, taking ingredients from every proposal, combining people and ideas, in order to put together his own program without being bound to any group. For this reason, it is also likely that whoever heads the ministry on Avenida Abancay will not be one of those who have already laid their cards on the table, but rather an ace Garcia still has up his sleeve.

8926

CSO: 3348/667

PERU

APRA ADMINISTRATION URGED TO CONTINUE NEGOTIATIONS WITH IMF

Lima EQUIS X in Spanish 6 May 85 pp 26-27

[Article by David Medianero Burga; passages enclosed in slantlines printed in boldface]

[Excerpt] Recent statements by Dr Alan Garcia Perez have stirred up the debate (which has been going on for quite a while, moreover) on our country's relations with the International Monetary Fund (IMF). The president-elect of Peru has asserted the new APRA administration's desire to exclude the IMF from the negotiations on the payment of our hefty foreign debt, and to deal directly with the creditor banks and governments on this matter. This statement is undoubtedly a symptom of the sovereign orientation that the Aprista Party of Peru (PAP) administration will convey during the 1985-1990 term. The refusal to deal with the IMF /as a matter of principle/ may be the least pragmatic way, however, to carry out its own economic plans.

As we will show later, the IMF will be present on the national scene at least until 1990. This presence, which is after all very unfortunate, demands that we be prepared to negotiate properly with the IMF, abandoning the negligence of the past.

Stand-by Agreements in 1977-1984

According to all the technical analyses of the external sector's prospects, the IMF's presence will be inevitable, given the heavy burden the servicing of our foreign debt will impose on us, even if the prices of our exports improve substantially.

In this regard, an econometric projection drawn up by Jorge Torres (see chart), which even assumes an improvement in exports, a more dynamic GDP and a strong growth of international prices, yields a balance of payments current account deficit of about \$1.4 billion in 1985. This deficit will grow steadily, to reach \$2.3 billion by 1990, according to the projection.

Furthermore, if we add to this the principal payments on the debt, the financial requirements total \$2.6 billion in 1985 and will reach \$3.7 billion by 1990 (see chart).

It will therefore be necessary to resort once again to the upper levels of drawing rights that the IMF grants under stand-by agreements with many conditions imposed. For this very reason, it might be very useful in the future to go over the conditions, goals and measures taken as a consequence of the stand-by agreements signed by Peru between 1977 and 1984.

As of April 1984 the Executive Board of the IMF had approved 20 /stand-by/ credits and an /extended fund facility/ for Peru. Between 1954, when the first agreement was signed, and 1984, when the last was signed, 30 years of nearly continual relations between Peru and that institution went by, aside from the regular annual consultations.

In the last period (1977-1984), unlike the experiences of the 1950s and 1960s, these relations were quite tense because of the /repeated/ failure of Peruvian administrations to meet the standards and requirements for compliance. The only exception was the two /stand-by/ agreements in effect between August 1978 and December 1980, when the commitments were facilitated by the boom in our external sector.

What factors are present today that were not here in previous decades to hinder compliance with the /stand-by/ agreements?

Studies by Jurgen Schuldt reach the fundamental conclusion that it was the strong social reactions to the neoliberal economic policies. This greater capacity for reaction is a product, above all, of the reforms instituted by the Velasco government.

Because it is impossible to restrict the income of the population through direct measures, inflation has become a permanent phenomenon, to the extent that it serves as a functional mechanism to reconcile the demands of social groups with the economy's real possibilities.

How to Negotiate with the IMF?

In view of the inevitable presence of the IMF in the coming years, it is imperative that we carefully study the idea of adopting a /negotiation strategy/ and begin to form technical teams that are specially trained for the job.

Judging by the text of all the agreements with the IMF, there are four areas of negotiation in terms of economic measures to adopt.

The first, generally the most important, refers to /fiscal policy/: tax administration, pricing policy of public enterprises, subsidies, etc.

Second is /monetary policy,/ which is based not only on manipulating interest rates but also curbing the growth of the money supply. In the area of the /external sector,/ the measures to be negotiated have to do with the exchange rate adjustment and the tariff policy. Finally, the fourth area is /remunerations./ The IMF is known to favor the overall reduction of wages in real terms and their selective increase on the basis of rising productivity.

To negotiate properly with the IMF (and even to break off negotiations eventually), we must develop a macroeconomic model that presents an alternative to the Polak balance of payments monetary approach used by the IMF. This model, as Jurgen Schuldt so aptly points out, should possess formal characteristics similar to those of the IMF model so that quarterly goals can be controlled. But it should be built on a paradigm and contents that are adapted to our needs.

In general, the political orientation of the negotiation of our past foreign debt and future requirements should be a different approach to negotiating with the IMF. We agree, in this regard, with the statements by Manuel Moreyra that appeared in last Sunday's edition of VISION PERUANA (28 April). In response to a question from the interviewer, the leader of SODE [expansion unknown] answered: "I have advocated not doing without the IMF, but doing without the kind of arrangement that is negotiated with the IMF, which has proved to be ineffective and unfair."/

Balance of Payments Projections 1985-1990
(billions of dollars)

	1985	1986	1987	1988	1989	1990
Exportaciones (1)	3.5	3.6	3.9	4.3	4.7	5.1
Importaciones (2)	-3.7	-4.1	-4.6	-5.1	-5.7	-6.3
Exportaciones Servicios (3)	0.9	0.9	1.0	1.1	1.2	1.3
Importaciones Servicios (4)	-1.0	-1.1	-1.2	-1.3	-1.5	-1.6
Intereses (5)	-1.1	-1.2	-1.0	-0.9	-0.8	-0.8
Balanza Cuenta Corriente (6)	-1.4	-1.9	-1.9	-1.9	-2.1	-2.3
Amortización (7)	-1.2	-1.6	-1.4	-1.4	-1.2	-1.4
Requerimientos Financieros (8)	-2.6	-3.5	-3.3	-3.3	-3.3	-3.7
FUENTE: Estimado (CIUP, Ibid) (9)						
Elaboración: Jorge Torres (10)						

Key:

1. Exports
2. Imports
3. Services Exports
4. Services Imports
5. Interest
6. Current Account Balance
7. Principal
8. Financial Requirements
9. Source: Estimate (CIUP, Ibid)
10. Compilation: Jorge Torres

8926

CSO: 3348/667

PERU

MOREYRA OUTLINES FOREIGN DEBT REDUCTION PROPOSAL

Lima EL COMERCIO in Spanish 28 Apr 85 p F-1

[Text] Dr Manuel Moreyra Loredó, former president of the Central Reserve Bank, this week repeated a proposed solution to the foreign debt at the Latin American level. Its main features are the reduction of financial costs and partial postponement of its payment.

According to the author of the initiative, this entails "serious programs of internal economic reorganization that make it possible not only to complete our adjustment process but to lay the bases to increase exports and self-sustained economic development through domestic savings with the responsible use of the new resources saved."

"If the relief achieved is used to postpone necessary but politically unpopular economic measures and the economic efficiency that led us to the current situation is maintained, a historic opportunity will be wasted. The possibility of achieving foreign relief to the extent now possible through good negotiations, thanks to the spread of the crisis, will probably not occur again."

The proposal was made in March 1984, exactly 13 months ago. According to Moreyra himself, it is still very current.

It contains the following points:

Enormous Costs

- 1) To renegotiate the foreign debt service for the next 5 years or the number of years necessary, based on the characteristics and needs of each country.

To the lawyer who is an expert in economic and financial matters, "the current procedure through which the debts due in the next year are being negotiated entails enormous costs for the authorities of the debtor countries and the officials of the creditor banks and institutions in terms of time, administrative expenses, etc. This cannot continue. There is more and more consensus between creditors and debtors about the need for a global renegotiation that definitively confronts the problem."

100-Percent Amortization

2) A refinancing of 100 percent of the capital amortizations due in that period with minimum terms of 15 years and grace periods of at least 7 years.

According to Moreyra, "this need to refinance the long-term due dates with generous grace periods is dictated by the possible evolution of international financial markets toward Latin America. In the short and medium terms, these will continue to be unfavorable for the area. Therefore, this relief is indispensable so that a bad situation of capital exporters does not worsen and they have time to reshape their economies. Also as long as existing protectionist practices are not eliminated, the prospects of our exports, the only means of paying the foreign debt service, will not substantially improve."

Nothing in Commissions

3) A substantial reduction of financial costs, based on the following:

a) Elimination of the "spreads" or surcharges over the preferential market rate in each creditor country and elimination of all commissions.

b) Recognition by the debtors of a maximum interest rate. This could be two percentage points above the real interest--that is, higher than domestic inflation--to a maximum of the historic average rate before the crisis of the 1970's.

c) Commitment from the debtors to pay on the due date only a portion of the maximum interest recognized if this were necessary due to the percent of payments with respect to exports. In other words, the annual payments would depend on the situation and prospects of the balance of payments of each debtor country.

d) Capitalization of the unpaid portion of the maximum interest rate recognized; and

e) Assumption by the government of the creditor country of all or part of the difference of the unrecognized interest service.

Internal Adjustment Without Waste

4) Finally, a firm commitment from the governments of the debtor countries to adopt a responsible economic and financial policy that continues the adjustment and promotes exports and the ~~guarantee that this foreign relief will not be used to purchase arms, carry out major projects of questionable profitability or pay for current expenses of the public sector or excessive consumption by the government and the population.~~ A renovated IMF could be useful in this plan.

Improves Position of SELA

Moreyra's proposal is a version of the one made by SELA [Latin American Economic System] and begins with the recognition that the "context of international trade and payments is unfair. This gives us the basis to present a serious program. The debt problem is serious and will not be solved with the type of refinancing that has been granted...."

Finally, Moreyra stated that a fair compromise is sought since they do not want to cause the bankruptcy of any international banks.

7717

CSO: 3348/649

PERU

BRIEFS

NATIONAL POTATO PRODUCTION EMERGENCY--CONAPAPA [National Committee of Potato Producers] has declared an emergency for national potato production due to the drop in real prices and a probable shortage in the second half of the year. In a document sent to the minister of agriculture, engineer Juan Carlos Hurtado Miller, CONAPAPA stated that "the deterioration of real prices for the current crop is ruining the producers." It also indicated that "the probable shortage of potatoes in the second half of the year will be due to the unprofitable production costs that have stopped the planting." CONAPAPA proposed that the minister "establish a shelter price for the current harvest on the sierra, urgently encourage potato planting with a guaranteed price and recommend to the government the immediate intervention of ENCI [National Enterprise for Industrial Marketing] or any other entity to purchase reserves." It also indicated that "after four consecutive days of deliberations, the potato specialists of the Ministry of Agriculture and CONAPAPA have technically agreed on production costs in the sierra and on the coast and decided on a shelter price on the sierra of 950 sols per kilo harvested but not packed." They also said that, to encourage planting, a guaranteed price of 14 cents per kilo of potatoes has been agreed on. [Text] [Lima EL COMERCIO in Spanish 27 Apr 85 p A-10] 7717

LIMA POLICE LACK VEHICLES--The minister of industry, tourism and integration, Alvaro Becerra, revealed on Thursday that Lima (with a population of more than 5 million) has only 12 operational patrol cars. However, GC [Civil Guard] sources indicated that the number is even lower now since there are some vehicles assigned to the JNE [National Election Jury], APRA [American Revolutionary Popular Alliance], Alan Garcia's house, etc. GC sources indicated that about 400 patrol cars have broken down and been abandoned at the commands, especially the 20th (Radio Patrol). They said that almost 30 patrol vehicles are permanently assigned to diplomatic headquarters, political houses, government men and police chiefs. This number increased after the last elections. According to them, the problem of the patrol cars is due to the budget shortage in the GC which means there is no money to buy parts. Minister Becerra himself said that at least 500 patrol cars were needed for Lima alone. He announced that this aspiration will become concrete in the coming weeks. [Excerpts] [Lima EL COMERCIO in Spanish 28 Apr 85 p A-11] 7717

CSO: 3348/649

TRINIDAD AND TOBAGO

DRUG DEALERS PREYING ON, RECRUITING YOUNG STUDENTS

Port-of-Spain SUNDAY EXPRESS in English 12 May 85 pp 1, 19

[Article by George Harvey]

[Excerpts]

THREE organised, illicit, drug-selling outfits are "turning on" secondary school students in the Port-of-Spain area, and students on the inside have been recruited as contact agents to entice class-mates into acquiring the drug habit.

An estimated average of some five per cent of junior secondary students in Port-of-Spain and environs use marijuana, and to deal with the problem the secondary school curriculum and the 14-plus social studies examination now incorporate the drug issue, and a comprehensive programme is being drawn up to tackle drug use and abuse in schools.

This information came from Steve Williams, area supervisor attached to the Central Guidance Unit of the Ministry of Education. He is the senior officer responsible for Port-of-Spain and environs of the CGU programme for students of Government-operated senior and junior secondary schools stretching from the Barataria/Malick area through the city and St. James into the Diego Martin district.

The scheme covers 14 secondary schools and a pilot project for primary schools in Belmont.

Williams said that from reports received and actual work done in the schools, it was clear that there was substantial drug use among students.

SEVERE PENALTIES

It was mainly confined to the community, he said, and the home, and they did not generally find students using drugs in the school compound. It was known that the students were on drugs but it was not easy to pin down students actually using or in possession of drugs in the school or school compound.

He explained that the non-presence of drugs on the school premises had to do with the restrictions and severe penalties (immediate suspension and possible expulsions) if any students is found with drugs at school.

"There are a lot of pushers in the vicinity of the so-called prestige schools. Real pushers. Simply because they know the students have money. You will find more pushers around there than at a junior secondary school where the students will generally have less money or less access to money."

The pushers outside the school do not confine themselves to marijuana, he said. They first introduce the youngsters to marijuana. Then comes the harder stuff.

A student told the guidance counsellor that in the beginning he

got the stuff free and was encouraged, to use it and get a "good head". So the student just thinks it is "an easy thing."

Sex is also involved. Williams recalled a female student explaining that in the beginning she got marijuana free and used it until they began asking for money. She began enjoying "the high" and continued buying. When she did not have money she paid in the best way she could — "in kind". I am talking about a 16-year-old."

Reports from the junior secondary schools with about 920 students indicate that about five per cent are on drugs.

"You will find that in some suburban junior secondary schools, the youngsters in the main come from communities where they are constantly exposed to drugs.

"Some parents are pushers or there are, older brothers and sisters who are users, so they have a more gradual psychological acceptance of drug usage.

"They see it as a legal problem ...not as a medical or social problem. To them it is a matter of don't get

caught and everything is alright. So they enter the school system fairly knowledgeable about the use of marijuana. When they enter school, they have at least tried it once.

"If you go into a classroom and the kids are honest with you and you ask how many have tried marijuana, you will get about 10 to 15 per cent raising their hands. Usual response is I puffed it once... I coughed... did not like. So you will find, generally speaking, that they have had some experience.

Williams pointed out that in some communities smoking marijuana openly is normal and youngsters were exposed even before they reached their teenage, so they do not view it as something bad or wrong." He said the acceptance (if not participating) attitude is something carried over into the senior secondary school level.

The use of hard drugs and dealings is not as visible as marijuana," with contacts being set up at parties, bazaars and evening 'limes' at the shopping malls."

CSO: 3298/678

URUGUAY

BROAD FRONT CITED AS MOSCOW'S 'ALTERNATE ROUTE' TO REGION

Buenos Aires LA PRENSA in Spanish 2 May 85 p 7

[Article by Alphonse Max: "The Conquest of South America Through Uruguay"]

[Text] Montevideo--While events in the Middle East, the Persian Gulf and Southeast Asia, as well as the Geneva Conference, the deployment of missiles in Western Europe, the assumption of power by Gorbachev in the Soviet Union, etc., are holding the attention of the United States, and its concern with Latin America is limited to Central America, or more accurately Nicaragua, the Soviets are silently advancing with their strategy in South America. Their short-term goal is three nations: Chile, Argentina and Uruguay. Their tactics are clearly differentiated. In Chile the violent path is becoming clear. The secretary general of the Communist Party, Luis Corvalan, announced it over Radio Moscow several weeks ago, and subsequent events have confirmed it. In Argentina the method is more subtle. The Trojan horse is bilateral trade and increased economic collaboration on all levels, as well as cultural penetration with its various epiphenomena. The tactic pursued by the Kremlin in Uruguay is more complex, because it involves not only more intensified trade exchange, but also a task which is (for the time being) clearly political, ranging from parliamentary confrontation in the capital to more routine agitation and propaganda throughout the entire country.

In this article we will limit ourselves to the case of Uruguay, where after the withdrawal of the military from the government, and perhaps even before that, the Communist Party, in addition to regaining the key posts it held before the 1973 military coup, has succeeded without much effort, as a result of the vacuum created, in adding a great deal ~~more~~ to its control. ~~Today~~ the communists and their fellow travelers have more men in the Parliament than ever, as well as on the boards of the autonomous and decentralized state bodies and in the municipal governments. To this is added the strong and dominant presence of that party in education (from the primary to the university level), the trade unions, the theater and radio broadcasting. And all of this despite the fact that the Communist Party has not yet launched full-scale activity. So that the potential victims, that is the people, will not feel the blow, the famous "crushing of the bourgeoisie," when it happens, communist activity is divided. On the one hand we have the "traditional" apparatus of the party, and on the other, the Broad Front.

The Communist Party of Uruguay is headed by veteran "apparatchik" Rodney Arismendi, the only communist leader released by the military after a few months in prison, who returned from his long exile in Moscow with very precise instructions. The Broad Front, Moscow's alternative path for Uruguay, is headed by former general Liber Seregni, who was stripped of his rank by his colleagues and who spent 8 years in prison.

During the latter half of this year, the general went to Moscow for the official presentation of the Lenin Prize, which was awarded to him a couple of years ago. It is well-known to whom, for what and why Moscow awards this prize.

The Broad Front

In fact, for some time the general has been trying to persuade Uruguayans to believe that the Broad Front which he heads is not the same as the Communist Party because, he says, it is only one of the parts of a coalition of various parties and groups (more than a dozen, counting all the little groups, each with its own stamp and seal). He insists that the Broad Front represents a real government alternative, that it will without a doubt win power in future elections, and other things of this sort. What is regrettable is that he is perhaps not entirely mistaken. Let us consider: if the surrealistic fable according to which the Broad Front is not the same as the Communist Party is repeated like a refrain for 4 more years, with the very broad range of dialectics enriched by sophistry and subliminal propaganda tricks, one cannot exclude the possibility that the percentage of misled voters who succumb to the systematic distortion of reason manipulated from Moscow will increase considerably. Control might even be won, let us say, of the municipal government of Montevideo, which at many times has had more administrative power in Uruguay than the central government itself. If to this were added the possible seduction of certain politicians in the Blanco and Colorado parties by the phantasmagoric arguments of the Broad Front, to the point of becoming turncoats (something which has happened more than once in the past), it is obvious that no Uruguayan government, now or in the future, can ignore the Broad Front (for which read Communist Party). And this without taking into account the fact that the Front, being the decisive minority in the Parliament, might have the final word there.

It is therefore no accident that Liber Seregni was summoned to Moscow, where he was proclaimed a "true revolutionary" and was widely entertained, precisely at the time the new Uruguayan government was beginning its activity. This attention, along with other symptomatic occurrences, reflects the fact that at the present time, Moscow's path to the conquest of South America leads through Uruguay. The modus operandi will be political, at least in the beginning. The Communist Party is committed to other tasks of a tactical and strategic nature, and as a result the political aspect has been transferred to the Broad Front. In this way Moscow keeps its own cadres intact, protecting them against any reverse which might be suffered in this effort to win power in Uruguay, placing the burden on its fellow travelers instead. As always.

VENEZUELA

EVENTS LEADING TO ALVAREZ PAZ' RESIGNATION VIEWED

Caracas EL DIARIO DE CARACAS in Spanish 10 Apr 85 p 48

[Article by Orland Utrera and Usbaldo Arrieta]

[Text] A letter was circulated within the COPEI [Social Christian Party] yesterday. Its content had an impact: Oswaldo Alvarez Paz resigned from the national secretariat of the functional bodies in view of the circumstances created by the choice of the Venezuelan Teachers Federation (FVM) and Venezuelan Engineers College plank.

The letter was addressed to Eduardo Fernandez, the secretary general of the COPEI; to Godofredo Gonzalez, acting party president; and Enrique Perez Olivares, undersecretary general.

In that communication, Alvarez Paz reiterated his criticisms of the way in which the spokesmen for the COPEI planks were chosen. This was a matter within his jurisdiction as national secretary of the functional bodies, but it was resolved without obtaining his opinion or approval, making his post "decorative." This was the reason for his decision to resign from it, so that Fernandez can replace him with one of his leaders.

Alvaro Paz thus radicalized his opposition to the manner in which Fernandez has conducted the COPEI, an issue which many political observers place in the context of the disputes which have been arising within the COPEI for a number of months now, preceding the selection of candidates.

However, in connection with this latter aspect, Alvarez Paz himself attempted to give a different picture of the basis of the conflict. To this end, just yesterday, in a column he writes regularly for a morning newspaper with national circulation, he argued as follows in response to Sanin:

"I am neither crazy nor desperate to be a candidate, nor is this the motive underlying my actions. What is happening, my dear friend, is that I cannot resign myself to sit by passively while a system which has cost so many Venezuelans so much suffering deteriorates. I cannot resign myself to seeing the COPEI in the situation in which it is now. I believe that Venezuela needs a very firm path and direction. Ordinary Venezuelan citizens, including the

COPEI members, are looking for a great cause for which to struggle. The issue at stake is the building of a decent and prosperous Venezuela."

Independent of his statements about the candidacy issue, wherein his possible aspirations would clash with those of Eduardo Fernandez, what is certain is that Alvarez Paz is not resigned "to seeing the COPEI remain in its present situation."

The Objection Now

The clash has been clear, and has even become public knowledge, with regard to what has happened in the development of the Social Christian platform for the new board of officers of the Venezuelan Teachers Association.

Initially, Domingo Pinate, head of the Social Christian teachers' movement, officially endorsed the candidacy of Ismael Rodriguez to replace Carlos Andueza as head of the FVM. Andueza, desirous of winning reelection, had already waged a duel with Pinate himself in connection with the internal elections to choose the new board of directors for the teachers' movement within the COPEI.

Andueza reacted against the line pursued by Pinate and announced his candidacy for reelection. The schism within the COPEI teachers' group was obvious.

The position adopted by Andueza also clashed with the decision of Eduardo Fernandez himself to support Rodriguez as a candidate.

Finally, a unity plan embodied by Felix Luces, a leader with a long history in the ranks of the Social Christian teachers, was the choice made.

A similar situation has developed in the selection of the platform the COPEI should support in the election of the new board of directors at the College of Engineers.

According to the statements to be found in the letter of resignation by Alvarez Paz, his functions as secretary of the Social Christian functional bodies have become "decorative," because he was not consulted with regard to the decisions adopted.

Basic Contradiction

Apart from the above, or rather at the origin of all of it, is the situation which was raised with his party a month ago, beginning on Tuesday, 5 March, by Deputy Oswaldo Alvarez Paz.

On that day the Social Christian National Committee met in ordinary session. At the meeting, the report of the COPEI Honor Commission concerning the case involving Rodolfo Jose Cardenas was taken up. The judgment made, to the effect that no evidence was found to justify "morally discrediting Dr Cardenas" in connection with his activities pertaining to the construction of the Chuspa-Osma highway while he was serving as governor of the Federal District, was approved by the National Committee.

That report also argued as follows: "There arise, then, although it is painful to report it, some doubts about the impartiality of the legal bodies specifically entrusted with applying and interpreting the law, and in any case, lack of confidence concerning the handling and resolution of legal processes has developed. . . . Under such conditions, a militant against whom charges have been brought cannot be placed under the obligation to present himself for imprisonment and judgment under dishonest circumstances. This would mean demanding a heroic, martyred sacrifice which would make no sense, because in the final analysis there is no guarantee either of acquittal of the innocent or punishment of the guilty."

Oswaldo Alvarez Paz did not agree. He withheld his vote and a few days later, on Wednesday, 20 March, he argued his case publicly.

He presented journalists with a document in which he maintained that "to recover the lost credibility" of the COPEI, "political sanctions" must be institutionalized.

In another part of this statement, which created problems for Alvarez Paz as the days went by, he maintained: "...I cannot agree with the final decision of the Honor Commission supporting and justifying the failure of Comrade Cardenas to present himself in Venezuela and exempting him from the obligation set forth in item 3 of our norms, which would require that he appear. It seems to me extremely serious and dangerous in the highest degree that the National Committee of the COPEI would compromise its democratic credibility its principles and its convictions by supporting disobedience of the laws, and openly flouting legal orders. I believe that this is the most damaging decision, to the COPEI itself and to the institutional health of the republic, that this organization has made. And if it is a question of launching a struggle for the reform of the judiciary, Rodolfo could have been the most formidable tool in this struggle. All of this would be possible with Rodolfo here. While he is abroad, it is impossible. It all has the ring of concealment.."

Penalty

With these statements, an atmosphere was created in which the level of speculation began to rise in the following days. The National Committee of the COPEI might impose disciplinary measures on Oswaldo Alvarez Paz.

In fact, the National Committee met on Monday, 25 March in extraordinary session to analyze and decide upon the Alvarez Paz case. Several days earlier, Eduardo Fernandez told EL DIARIO DE CARACAS that "if the members of any party have the right to speak, it is those of the COPEI." But immediately afterward he warned that "one of the basic values in the history of the party has been discipline."

It was precisely at that meeting that a decision was made. The document on the subject initially endorsed "the doctrine to the effect that the internal affairs of our party should be discussed internally."

Subsequently it went on to say that "the National Committee has decided to reprimand Comrade Alvarez Paz harshly for having made public the text of his dissenting vote, which should have been included in the minutes of the pertinent National Committee meeting."

On that occasion, Alvarez Paz commented: "I accept the reprimand. This does not mean that I share their view."

In fact, he has demonstrated this. His resignation from the secretariat of the functional bodies of the COPEI falls within the context of this lack of agreement, despite the fact that he says today that the reprimand was not the reason for it. What is certain is that Oswaldo Alvarez did say: "I cannot resign myself to seeing the COPEI in the situation in which it now finds itself."

5157

CSO: 3348/621

VENEZUELA

MERCANALISIS POLL SHOWS APPROVAL OF LUSINCHI'S PERFORMANCE

Caracas EL DIARIO DE CARACAS in Spanish 15 Apr 85 p 4

[Text] After a year of the present government's administration, the percentage of people who think that President Jaime Lusinchi has done a good job is larger than the percentage of those who think he has done badly.

This information is revealed by the survey which the Mercanalisis enterprise has made in six of the main cities in the country, specifically Caracas, Maracaibo, Barquisimeto, Valencia, Maracay and Puerto La Cruz-Barcelona. This sampling, the first part of which was published in yesterday's edition of EL DIARIO DE CARACAS, was based on a thousand individuals over 18 years of age coming from socioeconomic categories in which the interviewer gave the various choices as "upper," "middle," "working" and "poor." Also, the political affiliation of those interviewed was established, offering Democratic Action (AD), COPEI [Social Christian Party] and MAS [Movement Toward Socialism] and other parties as choices.

As can be seen in the first chart, the positive judgments of the work done by the president generously exceed the negative responses, as well as the intermediary choice designated "normal."

This same chart shows the views of those interviewed concerning the work done by four ministers in the executive cabinet--Octavio Lepage, Manuel Azpurua, Arturo Hernandez Grisanti and Hector Hurtado. It was for the last-mentioned minister that there were the most unfavorable opinions concerning his actions, since the negative opinions exceeded the positive ones, although not by a great margin. However, this characteristic was reversed for the other three ministers.

Although those interviewed during the Mercanalisis survey were not asked to explain the reasons underlying their views, the percentage of those unfavorable to Minister Hurtado could have been because of his connection with the Cost, Price and Wage Commission (CONACOPRESA), a body which is unpopular because of the price increases allowed on products of various sorts, the data shown in the final part of this Mercanalisis survey indicate.

The opposite situation pertains to Ministers Lepage, Azpurua and Hernandez Grisanti, who are definitely respectively linked with the steps taken against

crime, the refinancing of the debt and the government oil policy, all of which may have achieved a certain acceptance in public opinion.

The Work of the President

The first chart shows that the terms by means of which a description of the work done by Jaime Lusinchi in government was obtained from those interviewed were "excellent," "good," "normal," "poor" and "very poor."

Because the descriptions "good" and "poor" are, if you will, more precise, these two will be used to summarize the percentages obtained in each of the areas where Mercanálisis took the survey.

The proportions in the cities were as follows: 35 percent "good" and 6 percent "poor" in Caracas; 37 and 12 in Maracaibo; 33 and 10 in Barquisimeto; 32 and 9 in Valencia; 29 and 8 in Maracay; and 35 and 8 in Puerto La Cruz-Barcelona.

By sex, the views expressed by men were 36 percent "good" and 8 percent "poor." The percentages for the women were 32 and 8, respectively. In terms of age groups, 38 percent of those between 18 and 24 said "good" and 8 percent "poor." For the group between 25 and 34 the percentages were 37 and 8; for those between 35 and 44, 28 and 9; and for those over 45, 31 and 7.

Those in the socioeconomic level termed "upper" by Mercanálisis, 40 percent answered "good" and 3 percent "bad." In the "middle" category, the figures were 37 and 6, among the "workers" 34 and 8, and in the "poor" category, 29 and 13.

In examining the views expressed in terms of political affiliation, the fact that for those mentioning parties other than the AD, specifically the COPEI and the MAS, despite the opposition role they play, positive views outweighed the negative ones.

In this connection, 49 percent of those affiliated with the AD answered "good" and 2 percent "poor," while the figures for the COPEI were 21 and 14; those for the MAS 25 and 8; and those for other parties 25 and 11.

Presidential Message

This survey was begun 3 days after President Lusinchi presented his report to the Congress of the Republic on the first year of his administration.

For this reason the following question was included: How interested were you in what the president said in his speech to the congress?

The answers, by category, were as follows: 11 percent said "very," 14 percent said "quite," 14 percent said "somewhat," 8 percent said "not very," 8 percent said "not at all," and 46 percent gave no answer.

It should be noted that the distribution of the 46 percent who gave no answer was as follows: 40 percent had not seen or heard him, 5 percent were not interested, and 1 percent did not know or did not say.

Among the individuals who said that they were very or quite interested in the speech (25 percent) the reasons given were that the president "plans to resolve the problems of the country" (10 percent), "he talked about reactivating the country's economy" (5 percent), "he was sincere and inspired confidence" (5 percent), "he spoke about refinancing the foreign debt" (3 percent), "he was encouraging and said that the farming and rural sector will improve" (1 percent), and "he talked about resolving unemployment and creating new jobs" (1 percent).

Among those who answered that the speech interested them very little or not at all (16 percent) the reasons given, among others, were that "he talks a great deal but does little, not as much as possible" (6 percent), "the speech was pure lies, not true" (4 percent), and "he said the same thing as always, and nothing concrete" (3 percent).

Ministers' Resignation

Another question included in the survey was: "Does it seem to you proper for all the ministers to resign every year or not?"

This question was due to the fact that, as will be remembered, just prior to the speech by the president to the congress, the executive cabinet resigned unanimously, in order, it was said, to make it easier for the chief of state to make such changes as he deems necessary.

The categories of answers to this question were "this seems proper" (36 percent), "sometimes yes and sometimes no" (12 percent), and "does not seem good" (50 percent). As can be seen, the opinions against the practice of collective resignation outweigh those in favor of it.

Cabinet Changes

In connection with the above, those interviewed were also asked to what extent they view the recent changes in ministerial appointments made by the president as desirable.

The question asked was as follows: "How do the recent ministerial changes made by the president seem to you?" The answers were: "very suitable" (30 percent), "suitable enough" (34 percent), and "not at all suitable" (30 percent). Of those interviewed, 7 percent had no opinion.

The second chart shows the total percentage for each answer distributed among the main cities in the country in which the Mercanalis survey was taken.

The distribution of each of the specific answers given in the categories of individuals covered by the survey was as follows:

Of the men, 33 percent said "very suitable," 39 percent said "suitable enough," and 24 percent said "not at all suitable." Of the women, 26 percent said "very suitable," 29 percent said "suitable enough," and 35 percent said "not at all suitable."

By age group, 30 percent of those between 18 and 24 said "very suitable," 41 percent said "suitable enough" and 25 percent said "not at all suitable." The respective figures for those between 25 and 34 years of age were 26, 37 and 30; for those 35 to 44 years of age, 27, 30 and 34; and for those over 45, 36, 25 and 32.

In terms of socioeconomic level, of those classified as "upper," 26 percent said "very suitable," 33 percent said "suitable enough" and 31 percent said "not at all suitable." The figures for those in the "middle" category were 23, 37 and 34; for "workers," 30, 36 and 28; for those in the "poor" category, 38, 27 and 26.

As can be seen on the basis of the above figures for the socioeconomic levels, the highest percentage in favor of the changes made in the cabinet was in the "poor" category, while the most unfavorable opinions were found in the "middle" category.

How Would You Describe the Work Done by the Various
Individuals in Government?

	<u>Jaime Lusinchi</u>	<u>Octavio Lepage</u>	<u>Manuel Azipurua</u>	<u>Hernandez Grisanti</u>	<u>Hector Hurtado</u>
Excellent	12	7	6	4	1
Good	34	29	27	26	17
Normal	40	41	39	40	41
Poor	8	9	7	6	13
Very poor	5	5	3	3	3
Don't know or no answer	1	8	18	21	22

How Do the Ministerial Changes Recently Made by the President Seem to You?

	<u>Total</u>	<u>Caracas</u>	<u>Maracaibo</u>	<u>Barquisimeto</u>	<u>Valencia</u>	<u>Maracay</u>	<u>Barcelona</u>
Base:	1000	400	190	108	122	102	78
Very suitable	30	29	34	22	34	25	33
Suitable enough	34	34	29	45	33	29	37
Not at all suitable	30	30	28	27	28	37	26
Don't know	7	7	8	6	6	9	4

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VENEZUELA

HILARION CARDOZO TO SUCCEED ALVAREZ PAZ

Caracas EL NACIONAL in Spanish 18 Apr 85 p D-2

[Article by Mario Villegas]

[Text] Hilarion Cardozo took over as coordinator of the functional bodies of the COPEI yesterday. He was appointed to the post on Tuesday by the National Committee of the Social Christian Party to replace Oswaldo Alvarez Paz, whose resignation was accepted by the leadership of the COPEI.

This is a new commitment and a new challenge for Cardozo. He is gratified to have been unanimously chosen for this position.

"I have been unanimously chosen for all of the functions I have assumed within the COPEI for the past 25 years," he was pleased to say.

He indicated that within the National Committee, there was not even any discussion of his nomination, since he had the approval of all of the members of that body, even meriting applause.

Cardozo is currently vice president of the COPEI and first vice president of the Senate of the Republic. He is also secretary general of the Christian Democratic Organization of America.

"I accepted this new post at the very special request of former president Rafael Caldera and Secretary General Eduardo Fernandez. This is also a way of being consistent in my friendship with Oswaldo."

The senator and political leader from Zulia takes over coordination of the functional bodies of the COPEI at a time when the Social Christian body is experiencing an unusual internal situation. Cardozo wants to make it clear that he is removed from the internal controversy.

"My main task currently is to keep my voice that of all the party. I have removed myself from the controversy because I want my words to be those of the COPEI. It is thus with this intention that I come to my new post. I have not found a climate of conflict between Eduardo Fernandez and Oswaldo Alvarez Paz here, as was reported. The fact is that I feel committed and obliged to pursue all the work necessary to collaborate with the functional bodies to

strengthen their work, so that they in turn can strengthen the activity of the party."

Only Formal Differences

When he was asked if he is prepared to pursue firm action against administrative corruption, along the same lines as his predecessor, Cardozo immediately made it clear that the departure of Alvarez Paz from the post had nothing to do with the heart of the problem of his explanation of his refusal to vote. "He resigned from his post for totally different reasons having to do with circumstances actually inherent in the coordination of the functional bodies," he said.

In any case, he made a statement concerning the conduct of the COPEI with regard to the problem of administrative corruption.

"Within the COPEI," he gave assurance, "there is a clear and firm determination to wage an effective struggle against corruption, and there is no disagreement at all between Oswaldo Alvarez Paz and the rest of the National Committee concerning the substantial aspects of the struggle against corruption. The differences which have developed have to do with the form and methods in the battle against corruption, rather than its basic nature."

Opposition

In analyzing the governmental administration thus far in President Jaime Lusinchí's term of office, the Social Christian senator noted that the government talked a great deal during the electoral campaign but is not in a position to resolve the problem. He believes that the government team tends to conceal the lack of deeds with vague references and phrases, and that it has not as yet begun to keep its promises. "All of the problems it has faced have become more acute, what was normal has deteriorated and what was good is beginning to suffer," he said.

Through a number of its highest leaders, the COPEI has announced that it will launch a stage of more profound and radical opposition.

Cardozo was asked what contribution he will make from the position to which he has been appointed to this line of radical opposition.

"I do not like to use adjectives" he responded. "The opposition is the opposition. The intensity, methods and timeliness of its plans are determined by political circumstances and events. I believe that the roles are clearly defined now. The role of the government party is to stress the good things the government has done, while the role of the opposition is to criticize the poor aspects of administration. What is indeed an objective fact is that our criticism and opposition are based on what we regard as the truth of various matters, and we do not utilize lies."

Cardozo did indeed refer to some negative aspects of government. He especially emphasized the activities of the National Cost, Price and Wage Commission, which he accused of focusing solely on increasing prices. For

this reason it should be called the CONAPRE instead of the CONACOPRESA, unless the 'presa' is taken to mean the imprisonment and asphyxiation of wages. This commission is ineffective and undesirable," he said. Cardoso will work in his office at the national premises of the COPEI on Monday, Tuesday and Wednesday mornings in his new capacity as coordinator of the functional bodies of the green party.

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CSO: 3348/622

VENEZUELA

ARISTIDES MAZA TIRADO ELECTED PRESIDENT OF CONSECOMERCIO

Caracas EL NACIONAL in Spanish 21 Apr 85 p D-6

[Text] Dr Aristides Maza Tirado, a Guyana business leader, was unanimously elected president of the Council of Commerce and Services (CONSECOMERCIO), along with the Executive Committee and the rest of the members of the Board of Directors, at the final plenary session yesterday evening.

Dr Maza Tirado, who was already the virtual consensus choice, was merely confirmed at yesterday's session. With him on the Executive Committee are Mr Roger Boulton, first vice president; Oscar Shooli, second vice president; Dr Edgar Romero Nava, treasurer, and Paul de Vladar, secretary, along with 27 directors representing the country's various Chambers of Commerce: Roger Giulano, Francisco Sanz, Carlos Ball, Jancito Marin, Jose Quintino Abreu, Eloy Sardinias, Vito Miaglia, Luis Duarte, Antonio Fernandez, Enrique Boccardo, Rene Vargas, Carmen Hurtado, Alma de Beck, Magdalena D'Marco, Manuel Loza, Alfredo Pereira, Antonio Salvioli, Juan Cruz Rey, Oscar Alvarez, Aleman Aboude, Nino Petroni, Francisco Gonzalez, Luis Marturet, Grimaldo Castillo, Alberto Hassan, Ruben Diaz Viana and Bernardo Gonzalez.

Closing Ceremony

In contrast to the opening ceremony, only two speakers were scheduled: the governor of Bolivar State, Edgar Valles, and the president-elect, Dr Aristides Maza Tirado, who said:

"Today marks the close of our 15th Annual Assembly, where we businessmen have once again discussed, reflected on and analyzed issues that transcend our sector and touch the interests of the entire Venezuelan nation. And we have concluded this assembly by exercising that finest of rights: the right to vote."

He then emphasized how proud he was to have been freely and democratically elected to coordinate the activities that the CONSECOMERCIO Executive Committee will be taking up forthwith. He gave assurances that he would continue the policies charted by the organization's rank-and-file and leaders and that CONSECOMERCIO would pursue its concerned efforts to resolve the problems plaguing the country with the solutions it deems best for the population at large.

He then commented on the crisis besetting the country, voicing the view that it is neither exclusively structural nor cyclical but rather has elements of both.

"I am one of those who believe that we have extraordinary potential, and not just to meet our basic, short-term needs as a nation; we are also in a superb position to have a highly developed country by the year 2000. That is just 15 years away. We must acknowledge that our shortcomings are our own fault, especially those of us in leadership positions. We must make changes in the economy to make headway in development. Now is not the time to define what development model Venezuela requires, but we ought to offer some suggestions and say what is not advisable. For example, State capitalism must be banished once and for all from our society because of its monopolistic effects, among other things.

"But government monopoly is not the only threat to society. Private monopoly eventually is just as disastrous as government monopoly, because it too runs counter to the same principles of economic freedom and promotion of private enterprise. Private monopolies lead unavoidably to a denial of the laws of the marketplace.

"Venezuela is on a razor's edge. The slightest mistake could seriously compromise the nation's future, and therefore we must cautiously monitor the evolution of our troubled economic situation. As long as oil was generating copious funds for the government, it was able to strengthen its monopolistic tentacles and, moreover, distribute sizable amounts of money in populist fashion, especially to new economic sectors, many of them former politicians who have now become prosperous businessmen. But now that the flow of funds has diminished, this trend could lead us to an equally dangerous situation, monopoly, because many small and medium-sized firms are in trouble and could be taken over by larger companies. We must react to this trend strongly and clearly. It is by no means my intention to deny the principles of democratic capitalism, but we cannot remain indifferent to that which is at odds with the laws of the marketplace, at odds with economic freedom, at odds with free competition, at odds with all of us, including those of us gathered here today."

The new CONSECOMERCIO president went on to say:

"Venezuelan businessmen must latch on to an economic theory, a philosophy and an ethics that will enable them to work with an esprit de corps towards a definitive takeoff. Many people admire almost incredulously how Japan in just two decades has emerged as the world's number two economic power. But have we looked into the reasons for its success? How have the Japanese managed to penetrate the solid barriers that the traditional Western powers have erected on the international market?

"Japan has three very useful things to teach Venezuela. First, that a nation without a tradition of involvement on the world market can compete head-on with the big boys. Second, that the government does play a major role in making a country an economic power, but not by monopolizing the means of production and restricting the market but instead by strongly promoting private enterprise, by seeing to it that a development model based on economic democracy functions normally, by preventing the emergence of monopolies at all costs, by fostering healthy, fair competition and by establishing clear-cut and stable ground rules. The third lesson Japan can teach us has to do with what I talked about just a few minutes ago: economic theory, philosophy, ethics.

"Venezuela has to do something very soon, unless we want to see ourselves on the list of the neediest countries on the planet. The issue is not more or less capital investment or even a stable monetary policy. Our problems go far beyond the short-term. They have to do with constructing a specific, long-range, consistent development model based on democratic principles, including the acquisition of our own technology, geared to our realities and our needs. In short, we are talking about building a new, a different country.

"Can these goals be achieved? Yes they can. I say this without the slightest hesitation. Venezuela is a young country in which the shortcomings typical of the countries that show economic stagnation have not become widespread yet. Our production machine does, of course, suffer from certain defects, some of them serious. How many businessmen who call themselves capitalists, who complain loudly about government meddling, turn all the time to that same government for help in overcoming the difficulties created by their own dubious managerial capacities?

"We could spend a long time listing the defects that are entrenched in the private sector of our economy. We are not embarrassed to acknowledge this; we do so responsibly and frankly. Unlike other institutions, we businessmen are aware that our worst enemies live among us. Our point, though, is that through the fault of these fourth-rate capitalists, the great majority of whom are, of course, from that flood of makeshift, oil-boom businessmen, the blame has gone to Venezuelan businessmen in general, most of whom by far I would not hesitate to describe as honest, enterprising and possessed of a great adaptability to change and of a sense of social justice."

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CS0: 3348/639

VENEZUELA

PLANNING MINISTER REJECTS CRITICISM OF CTV PRESIDENT

Caracas EL UNIVERSAL in Spanish 2 May 85 p 2-1

[Interview with CORDIPLAN Minister Leopoldo Carnevalli by Bernardo Fischer; date, time and place not given]

[Text] Leopoldo Carnevalli, minister of the Office of Coordination and Planning (CORDIPLAN), admitted that the working class is paying a large share of the cost of the crisis.

Carnevalli analyzed the statements made by the president of the Confederation of Venezuelan Workers (CTV), Juan Jose Delpino. Delpino severely criticized the economic measures applied by the current administration, describing them as "devastating."

Carnevalli explained that, in his opinion, the measures are not as bad as Delpino described them, but he feels that the Executive is aware of the widespread discontent with many of these economic adjustment measures.

"For this reason, from the beginning we passed a series of compensatory decrees that provided for benefits such as the industrial cafeterias, the transportation bonus, and the 10 percent increase in payrolls, and the minimum wage of urban and rural workers has been raised. Moreover, we are implementing the additional investment plan, which is designed to increase employment by at least 100,000 new jobs, among other goals."

Carnevalli claimed that employment is not just a social problem, but also an economic one, since the high number of jobless workers keeps demand down and thus maintains the recession in the national productive apparatus.

He noted that workers should recall that this crisis has lasted for several years, and this administration has had to bear the brunt of it; in other words, it has had to make the adjustments necessary to shore up the economy and achieve sustained growth.

"Now it is important to analyze one of the factors that have hit the workers hardest: inflation. The government is making an effort to carry out price adjustments that are derived exclusively from the currency devaluation. The behavior of prices in the first half of the year shows that there is no

inflationary spiral, only the changes made necessary by the exchange situation. Naturally, the workers are suffering the most, and are the most defenseless because their income is fixed. But we are doing what we can to prevent speculative activities."

[Question] Will the government study any collective wage adjustment measure if an inflationary spiral does take place?

[Answer] No. We do not intend to tie wages to the inflation indices. The experience that Southern Cone countries have had with indexing indicates that instead of alleviating the situation, it accelerates the deterioration of the workers' wages.

Carnevalli explained that Venezuela's key objectives at this time are to revitalize the economy and cut the high level of unemployment. In this regard, he noted that 200,000 additional workers have joined the labor force since the administration inherited the mass of unemployed workers when it took office.

For this reason, CORDIPLAN estimates that the government will be forced to take far-reaching measures to promote the economic recovery, because it would be irresponsible to postpone the crisis until the future.

Investment Plan to Be Approved Next Month

Carnevalli expressed hope that the additional investment plan will be in place by next month. All necessary steps are being taken to make available the 6 billion bolivars that will be used after the 2-year treasury bills are issued.

[Question] Will there be enough funds to pay off these new debts?

[Answer] There is confusion about the revenues for the plan and the allocations of the national budget. We have provided for sufficient revenues in the 1985 budget so that it can develop without a hitch.

In the case of the investment plan, the legal reserve requirement will be the source of revenues. This mechanism is provided for in the Public Credit Act and the Central Bank of Venezuela Act. Thus, idle resources can be utilized without the need for the state to pay any financial surcharge.

Carnevalli explained that the redemption of the treasury bills in 1987 will be progressive, because the terms are variable. The government has 1 year to utilize this resource, enabling it to absorb up to 33 percent of the legal reserve deposited in the Central Bank of Venezuela (BCV).

[Question] Dr Arturo Uslar Pietri, however, questions the way the liquid assets deposited in the BCV are being used.

[Answer] I think there may be some misinformation about the mechanisms that are being used in the BCV (responded Carnevalli, who is also a member of the BCV Board of Directors). Dr Uslar Pietri was referring to the BCV that began in 1939, when an institution of this kind could not intervene in transactions

on the open market and was not a tool in the development of the Executive's monetary policies. That institution may have been a good organization, but it was never a central bank.

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CS0: 3348/665

VENEZUELA

OSWALDO ALVAREZ PAZ RESIGNS FROM COPEI POST

Disagreement With National Committee

Caracas EL UNIVERSAL in Spanish 10 Apr 85 p 1-1

[Text] Dr Oswaldo Alvarez Paz officially resigned yesterday as coordinator of the functional bodies of the COPEI [Social Christian Party], because of his disagreement with some of the decisions made by the National Committee controlled by Eduardo Fernandez.

The functional bodies of the COPEI are the Women's Front, Workers' Front, Magisterial Front, Revolutionary Youth, Agrarian Movement and Vocational and Technical Secretariat.

The resignation of Alvarez Paz from his post as coordinator of these organizations exacerbates the differences which have developed in the Caldera supporters' faction, in which Alvarez Paz and Fernandez are at odds.

The resignation represents the first reaction evidenced by Alvarez Paz since he was publicly reprimanded for publishing a document in which he questioned the decisions made by the Honor Commission and the National Committee concerning Rodolfo Jose Cardenas, former governor of the Federal District, who was charged with the commission of serious fraud against the nation.

Alvarez Paz will remain first voting member of the National Committee. The terms of his resignation from his important party post are set forth in a letter he sent to Dr Enrique Perez Olivares, acting secretary general of the COPEI in the absence of Eduardo Fernandez, who is abroad.

Paz Reiterates Support for Caldera

Caracas EL UNIVERSAL in Spanish 11 Apr 85 p 1-14

[Article by Alirio Bolivar]

[Text] Dr Oswaldo Alvarez Paz does not exclude the possibility that his differences with the secretary general of the COPEI may become deeper. "But

if there is something which unites us it is love, affection and support of the leadership of Rafael Caldera," he said during a television program.

The Social Christian leader refused to explain to the journalists waiting outside his office in the premises of the Foreign Policy Commission of the Chamber of Deputies why he resigned from his position as coordinator of the functional bodies of the COPEI.

Alvarez Paz said that the reasons underlying his resignation from this important party post were set forth in the letter he delivered to the president of the COPEI, Godofredo Gonzalez, and the acting secretary general, Enrique Perez Olivares. "Ask them about the contents of the letter," he told reporters. He would not agree to make any other commentary, despite journalists' insistence, as he left his office for Venezuelan Television, where he lunched with commentator Orlando Urdaneta.

This television personality used all his persuasive talents but could not get the leader from Zulia to say anything about the decision adopted this week. Alvarez Paz doubtless fears that another penalty might be imposed by the national leadership of the COPEI, which publicly reprimanded him for revealing the contents of a document in which he explained his refusal to vote on the case involving former governor Rodolfo Jose Cardenas, who was charged with serious fraud against the nation.

Opinions concerning administrative corruption and his differences with Eduardo Fernandez have kept Alvarez Paz on the crest of the popularity wave, but his questioning of the decisions of the Honor Commission and the way in which the secretary general is guiding the party may cost him a high political price, and it may be for this reason that the leader has become more cautious.

Within the COPEI, a movement of leaders asking for harsh penalties against Alvarez Paz is taking shape. Among other things, they claim that the party has not recovered from the trauma caused by two crushing electoral defeats, and that it should direct its energies toward the recovery of the confidence of the Venezuelan voters who have put it in power twice. The challenges raised by Alvarez Paz do nothing but work to the advantage of its main adversary, the Democratic Action movement, which if it is not seeking the destruction of the Venezuelan Christian Democratic movement, does benefit from its deterioration.

In view of the present situation of the COPEI, the need for a meeting between former presidents Luis Herrera Campins and Rafael Caldera so that they can take charge of the party is growing, and a notable group of leaders is working toward this end. Caldera is avoiding any contact with representatives of the media and Luis Herrera is refusing to comment on internal matters. The situation is serious, but not insuperable in a party as stable as the COPEI.

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CSO: 3348/622

VENEZUELA

COPEI NOMINATION FOR 1988 PRESIDENTIAL ELECTION ANALYZED

Caracas EL NACIONAL in Spanish 13 Apr 85 p D-8

[Article by Mario Villegas]

[Text] It is not yet clear whether former president Rafael Caldera will again opt for presidential candidacy within the COPEI [Social Christian Party], nor whether the secretary general of the party, Eduardo Fernandez, will compete with the founding leader for the candidacy.

There are those who think that Fernandez will have his sole opportunity in the 1988 elections, and that independent of what Caldera's decision proves to be, he will keep up his hopes to the end and challenge the former president if necessary. The ideologues of this thesis justify it by the more or less firm control which Fernandez has gained over the party structure, which, in the judgment of the most optimistic of his followers, would guarantee them that any competitor, including Caldera himself, would be defeated.

But the majority of those who support the Fernandez option express confidence that he would not in any case challenge the former president. As a result, if Caldera should decide to be a candidate, the secretary general of the COPEI would withdraw in his favor, at least according to the opinion stated by "Eduardo" supporters publicly. However, Fernandez and his people are confident that on this occasion, Caldera will not seek election.

Eduardo Fernandez has for several years been engaging in very intensive political activity, which led to his election in 1979 as secretary general of the COPEI, a post to which he was reelected in 1984 by a very broad majority. On the first occasion, he replaced Pedro Pablo Aguilar in the political command of the party, and in the second instance, he imposed a crushing defeat on Felipe Montilla.

According to the statements of those sponsoring his candidacy, Fernandez has won the firm support of all of the regional committees in the 24 Social Christian sections. However, it is said, no official public announcement of this was made because of the prohibition imposed by the National Committee on the subject of the candidacy, and also pending Caldera's decision. The "Eduardo" faction believes that if Caldera does not want to be a candidate, they could count on the support of all of the members of the National Committee, with the exception of Oswaldo Alvarez Paz, Pedro Pablo Aguilar,

Donald Ramirez, Felipe Montilla and Luis Betancourt. They are not certain what position Luis Herrera would adopt.

The New Versus the Old Venezuela

According to the "Eduardo" faction, the central plan for the Fernandez candidacy is oriented toward updating the COPEI political platforms through the holding of the Social Christian Ideological Congress in the coming year, such that its resolutions can provide the updated ideological platform for the COPEI.

According to the strategy planned, Fernandez would run as the advocate of a new Venezuela as compared to the old one, which the "Eduardo" faction says would be embodied by the candidacy of Carlos Andres Perez, who, they are already quite certain, will receive the AD [Democratic Action] nomination.

They argue that Fernandez represents this new Venezuela not only in terms of his age, but also "because of his ability to attract into political activity vast sectors of the population which have not participated to date due to excessive political sectarianism and the inflated role the parties have played in Venezuela's social life." In his travels through the interior, the secretary general and aspiring candidate will seek to make contact with the leaders of all the social sectors (trade unions, businessmen, community leaders and professional associations, among others) such as to establish personal links which will enable him to win and consolidate leadership of these social forces.

Fernandez would base his campaign on the fact that Venezuela has lost great opportunities under these last three governments, and that a new plan for economic development and state activity is needed, based on confidence in the citizens, with each Venezuelan feeling that he will have a stake in the decisions which affect him, rather than limiting himself to merely voting every 5 years.

Party Control

The control Fernandez has today over the party structure is a fact which even his opponents admit. The organizational apparatus works in favor of the secretary general's aspirations.

According to those promoting his candidacy, Fernandez already has the support of the leaders in the most important posts within the party. The "Eduardo" faction asserts that its proposed candidate has the support of Enrique Perez Olivares, undersecretary general for political affairs; Jose Curiel, undersecretary general for administrative affairs; Leonardo Ferrer, president of the Chamber of Deputies; Gustavo Tarre Briceno, assistant director of the parliamentary faction; Ildemaro Martinez, national coordinator of organization and operation; Maximo Jubarra, organization secretary; Nelson Cumare, electoral control secretary; Rafael Salvatierra, national coordinator of methods and strategy; Guillermo Yopez Boscan, training secretary; Freddy Delgado Dalo, regional body coordinator; Gustavo Mendoza, farm secretary; Milagros de Gonzalez, women's secretary; Jose Miguel Uzcategui, vocational and

technical secretary; Dagoberto Gonzalez, general secretary of the COPEI Workers Front; and Domingo Pinate, secretary for the magistracy.

The Fernandez supporters are absolutely convinced that in the end, Abdon Vivas Teran, who also aspires to be a candidate, will withdraw in favor of Eduardo Fernandez in an effort to crush Oswaldo Alvarez Paz, whom Vivas Teran sees as his most dangerous future competitor. The national youth secretary, Cesar Perez Vivas, one of Vivas Teran's men, would also yield to the Fernandez candidacy.

The "Eduardo" supporters also say that the proposed candidacy of the Social Christian secretary general has the support of 22 of the 34 regional secretaries general: Edgar Benarroch (Aragua); Carlos Guevara Leon (Anzoategui); Ismael Colmenares (Apure); Inocencio Barboza (Barinas); Angel Callejas (Bolívar); Jesus Ganem Martinez (Carabobo); Jose Dolores "The Russian" Martinez (Cojedes); Aldo Cermeno (Falcon); Andres Scott (Guarico); Miguel Diaz (Lara); Adolfo Melchert (Merida); Evencio Gonzalez (Miranda); Pedro Cardier (Monagas); Jesus Noriega (Nueva Esparta); Jose Candelario Casu (Portuguesa); Rafael Alvarez (Sucre); Francisco Fernandez Galan (Trujillo); Ramon Planas (Yaracuy); Elias Lopez (Libertador Department); Cefora Contreras (Vargas Department); Fernando Giron (Amazon Territory); and Alejandro Sequea (Delta Amacuro Territory). Of these regional general secretaries, 17 are under 40 years of age.

Silvestre Manzanilla, the secretary general of the COPEI in Zulia, is in principle in favor of the candidacy of his countryman, Oswaldo Alvarez Paz, and Edgar Flores, secretary general in Tachira, supports Pedro Pablo Aguilar.

No Disloyalty to Caldera

The promoters of the Fernandez scheme have repeatedly made it clear that he would not compete with Caldera if the founding leader should decide to make himself available as a candidate.

They say that the present secretary general was the protege of Caldera, whom they regard as his political father.

"You can be sure that there will be no parricide in the COPEI," a high-ranking COPEI leader working for the candidacy of Fernandez told us.

It may be that there will be no parricide. But there might be filicide if Caldera finally decides to represent the COPEI banner personally in the 1988 presidential elections.

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CSO: 3348/621

VENEZUELA

CALDERA ON THREAT TO DEMOCRACY, COPEI REORGANIZATION

Caracas EL DIARIO DE CARACAS in Spanish 15 Apr 85 p 16

[Article by Ross Mary Gonzatti]

[Text] In his closing speech at the Social Christian Conference at the University of Latin American Workers (UTAL), former President Rafael Caldera underscored the need to reorganize the rank-and-file committees and professional and technical bodies, winning over independents, and a stronger, more systematic opposition.

The party's 24 sections, the National Committee and the 6 operational bodies spent 3 days analyzing and discussing party activities, in particular the sort of opposition politics it should engage in. The gathering represented the first politicoadministrative stock-taking that the party has done since it has been out of power.

About 300 COPEI leaders, including presidents and secretaries general of the various sections, attended the conference.

In his closing address, COPEI's number one man broached three main points. He reiterated his belief that there is a malevolent conspiracy against democracy, talked about the responsibilities that the party must take on and, lastly, commented on what COPEI must do to return to power.

In his more than half-hour speech Caldera harshly criticized the COPEI members who hold government posts but do not support their party financially. He also disapproved of how little publicity COPEI is giving to its ideas, which suggests that "COPEI is not doing its job as the opposition." He scored President Jaime Lusinchi's trip to the United States and indicated that although the party's congressional bloc is doing its part, it has to try even harder. It was a speech in which no one was left out.

The Conspiracy

The former president again said that there was a malevolent conspiracy afoot trying to make people believe that democracy is the cause of

all our ills and that dictatorships were more efficient, more reliable and less corrupt.

He repeated what he had said a few hours before about the people behind this conspiracy: "various groups and factors," though he declined to specify, adding that these people are trying to create an atmosphere conducive to a dictatorship.

According to the polls, he indicated, 20 percent of the people would prefer a military government. Although this is not an alarming figure, it is "worrisome."

Among the groups involved in the conspiracy he also mentioned those people who are "legitimately dissatisfied," the people who in the face of a public services crisis, inefficiency and other factors, "tend to blame democracy unthinkingly."

Lastly, this conspiracy "also reflects many frustrations" on the part of people who have not won wideranging support even though we have a pluralist democracy or who have not had a desire to serve and build a great party and are thus giving vent to their frustrations and putting the blame on others and on democracy.

"The fact is that the problem exists, and the best way we can serve our country is by cleaning up the system's image " Caldera stated.

Internal Reorganization

The COPEI leader went on to say that he hoped the resolutions passed at the working meetings would be put into effect.

He proposed that COPEI reorganize mainly its rank-and-file committees and its professional and technical bodies.

Referring specifically to the rank-and-file committees, he indicated that they must become productive organizations and major elements in carrying on a dialogue with the people.

The COPEI audience applauded Caldera's suggestion that when a party leader makes a swing through the interior of the country, he ought to visit two or three working class neighborhoods in addition to the party section.

"The task of reorganizing these two work centers cannot be postponed."

He then talked about COPEI's defeat at the polls in December 1983. An in-depth analysis has not yet been conducted, he said, and "must be done in every state, in every district and in every municipality."

The purpose of such an analysis is "to correct mistakes, not to pillory anyone," because there were places where party activists did not respond as expected, where although victory was not anticipated, the party expected to do better than it actually did.

"There were states, districts and municipalities in which there is no justification for not having done better."

He reiterated how important it was for COPEI to approach independents. In a brief analysis he noted that independents feel that parties appeal to them only to up their vote total, while party activists see them as people who make overtures only when slates of candidates are being put together.

He said that these notions should be combated so that independents feel they have rights and responsibilities and so that party activists gain a different impression of independents.

The next item in his speech was party finances. "I realize that the party has to appeal for aid and receive help. But its strength lies in its own finances, which are derived from its members."

The former president indicated that COPEI members who hold public office and who do not make financial contributions, as the party demands, should be brought before the disciplinary tribunal. Once again Caldera's words were applauded.

"Senators and deputies should not be the only ones to pay their dues," he said, citing the past example of many high-level officials who "who were too stingy to help the party out." His idea is that these individuals should remain "friends" of the party or become independents but should not continue to belong to COPEI's ranks.

His next words of criticism were directed at the orthodox ideologues or idealists, who put the theories of Jacques Maritain, Teilhard de Chardin and Mounier first at all times. "We are a political party that is based on ideals but that also has a duty to serve the people. We are not an atheneum, an academy..." In this regard he proposed that training not be limited to literature.

His next point: the opposition politics that COPEI is or, in the view of many, is not engaging in. "We have to put together a coordinated, systematic effort," he said, indicating that the party's ideas are welcomed but not publicized enough. As an example he cited the document that Jose Miguel Uzcategui drafted on the administration's 1st year in office. After praising it, he noted that if AD had written it, its people would have talked it up until they were blue in the face, something that COPEI activists have not done.

His final words of criticism were directed against Lusinchi's trip, because "he did not tell the country" in advance about his stay in Boston, and people feel that they are being lied to. He added that he did not understand the purpose of the trip, because "the bankers are supposed to come here when the president calls them," not vice versa.

Caldera concluded his speech by appealing for more direct contact with the people, to whom the party should give "a bank of ideas." "The ideas do not have to be original, but the way of explaining them does."

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CSO: 3348/639

VENEZUELA

COPEI PRESIDENT DENOUNCES REJECTION OF NATIONAL ACCORD

Caracas EL NACIONAL in Spanish 16 Apr 85 p D-12

[Article by Mario Villegas]

[Text] The president of the COPEI [Social Christian Party], Godofredo Gonzalez, believes that President Jaime Lusinchi's government has rejected the Social Christian proposal for national agreement, such that the main opposition party can regard itself as not bound by any commitment it may have made and thus absolutely free to formula its criticisms of the government's administration.

Gonzalez has reached the conclusion that his comrade Rafael Andres Montes de Oca, who was under a serious threat of a disciplinary penalty, was right when he expressed the view that the national government would not take the urgings of the COPEI into account.

The president of the COPEI reached this conclusion 3 months after the National Committee of his party formally presented President Lusinchi with the body of suggestions which was the foundation of the proposed national accord.

Desirable and Necessary

Yesterday, Gonzalez made it clear that the COPEI continues to believe in the desirability and necessity for the national accord, noting that by this it means an agreement among the large sectors in the country, particularly its two main parties, with a view to facing up to and resolving the basic problems which outweigh party interests and even those of the present government.

He stressed, for example, the desirability of joint action in the oil sector and on foreign policy, among other matters.

He commented that the proposal of the COPEI was accepted by the government in an attitude of seeming sympathy and receptiveness. At that time, the executive branch established the International Oil Policy Advisory Commission, with the participation of the former ministers of energy and mines, the Social Christians included. "But regrettably," he said, "that is as far as the action of the government in connection with this national agreement has gone."

COPEI in the Dark

With regard to foreign policy, Gonzalez said the following:

"I can inform the country that the only way the COPEI has been able to learn about the talks the government has had with the United Nations mediator, Diego Cordoves, in connection with Venezuela's Esequibo claim, has been from reports in the newspapers and the public statements by government spokesmen."

He said that there has not been any official information on the recent talks President Lusinchi has had with the creditor banks with regard to refinancing the debt, either. "The president made a trip to the United States recently without making it very clear to the nation what the purpose of his trip was, and for this reason the rumor that he was ill circulated," he said.

"The COPEI still does not know why the president went to the United States, and to an even lesser extent is it aware of what was discussed with the creditor banks or the conclusions reached," he stressed.

Official Rejection of the Agreement

In analyzing the attitude of the government sector toward the Social Christian proposal, the president of the COPEI said the following:

"I must conclude that the government has at least tacitly rejected the proposal for a national agreement which we set before it. And I think that because of this circumstance, the COPEI is released from any agreements it may have contracted with regard to a national accord. As a consequence the COPEI regards itself as absolutely free to formulate criticisms of the government."

We asked if "Pepi" Montes de Oca could be said to have been right in stating that the national accord would be nothing but a pleasant game of dominoes.

"He was right when he said that the government would not take the COPEI plan into account," Gonzalez responded. "But the COPEI was obviously carrying out a duty in setting forth its plan. The government did not go beyond the courtesy of a smiling reception of us, while on the other hand it tossed our proposal into the wastebasket."

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CSO: 3348/621

VENEZUELA

PDVSA'S CASH FLOW DROPS TO 16 BILLION BOLIVARS

Caracas EL DIARIO DE CARACAS in Spanish 15 Apr 85 p 28

[Article by Jose Suarez Nunez]

[Text] The cash flow of Venezuelan Petroleum, Inc. (PDVSA), which had totaled 24 billion bolivars, declined to 16 billion bolivars last week. The drop was due to the disbursements made to pay the income tax for the first quarter of this year.

This will make it rather difficult to fulfill the Petroleum Chamber's request that a special investment plan involving up to 8 billion bolivars be implemented to revitalize oil projects that were delayed in 1983 due to cash flow problems in the oil industry.

It was also reported that the PDVSA Board of Directors and the operating firms have been revising a few projects that are still considered important even though they were postponed in 1983 because they were not given top priority at that time. Sources in the petroleum sector have repeatedly mentioned that the projects being revised on the technical and planning levels are mostly oriented toward the petrochemical area.

A government oil official confirmed yesterday that the Energy and Mines Ministry will not authorize the private sector to install lubricant recycling plants, to manufacture lubricants for export, or any other request that has been submitted to the Ministry until the commission studying hydrocarbons legislation clearly differentiates between the jurisdictions of the state and the private sector in the so-called gray areas of nationalization.

In this same context, the asphalt quotas are still the most controversial issue. The Ministry of Energy and Mines and PDVSA insist through their highest spokesmen that this area is strictly within the purview of the state. They believe, however, that major investments have been made over the past years in asphalt processing plants, and these require special treatment.

Asphalt Quotas

The asphalt quota issue is divided into two areas. In the case of plants that only process this product for export, the oil industry is studying a mechanism to deliver high-penetration asphalt to the doors of the plants that have been

processing it, so that they can turn it into blown asphalt. LAGOVEN would pay the costs of refining and the extra profits on the capital investment, and would then pick up the product. The industry claims the right to export the asphalt and earn the foreign exchange.

This mechanism would be temporary, and it would be recommended that these processing firms adapt their plants to produce pavements, roofs and other products with a higher national value added, for domestic sale or export. New firms requesting supplies to export asphalt will not be given quotas. The prevailing criterion among petroleum officials is that the national companies that produce both for domestic consumption and for export would gradually lose direct access to foreign exchange through exporting.

This point is very controversial, because the national processing firms argue that the profit on the exchange rate is one legitimate compensation for paying the high costs arising out of inflation and production costs, now that various wage benefits have been promulgated. In this context, most of the parliamentary committees of the Ministry of Energy and Mines advocate better treatment for the private sectors.

A high-ranking official at the Energy Ministry stated that the revival of an economic model along the lines of Pentacom, which was rejected by the administration of Carlos Andres Perez, is not under consideration. The government is concentrating its efforts, first of all, on the commission that is studying the hydrocarbons legislation to clear up what they insist on calling the gray areas of nationalization.

This commission will have to review in principle a minimum of four major laws: the one reserving the gas industry to the state, the one on the domestic market, the petrochemicals law, and many decrees and resolutions. The national government will postpone any decision until the limits are established. Officials in the Mines Ministry believe that a new law will not be necessary; the laws merely need to be linked together.

In this regard, Deputy Leonardo Montiel Ortega has asked for the floor in Parliament because he feels that the issue should be regarded from a broader standpoint, since a profusion of additional resolutions and decrees would hinder the enforcement of the nationalization laws.

8926

CSO: 3348/665

12 June 1985

VENEZUELA

PETROLEUM REVENUES EXPECTED TO DECREASE DURING 1985

Caracas EL NACIONAL in Spanish 25 Apr 85 p D-1

[Article by Cayetano Ramirez]

[Text] Venezuela and OPEC face a difficult year as far as petroleum is concerned, because circumstances have not been propitious during the first quarter of the year. Moreover, in the next two quarters various adverse factors will come into play.

The entire picture augurs a decline in our oil revenues because demand has been lower than expected, the depletion of reserves has been greater and steadier, the coldest period of winter was short in the early months of 1985, and the prices of light products have not increased enough to make up for the drop in heavy products prices during the hot season, along with other factors.

Demand in the first month of the year was low because at that time no one knew what OPEC would decide to do. It is well known that when a situation like this arises, when it is reasonable to expect a drop in prices, anyone who can possibly delay purchases does so.

OPEC's decision came right at the end of January, and the result was a severe downturn in the market during that month. Reserves were depleted at a high rate, amounting to more than 2.5 million barrels per day, precisely to make up for the lack of oil purchases during that period.

This had an impact on exporting countries, and Venezuela exported an average of approximately 1.36 million barrels per day during the first quarter; even though there was a slight recovery in February and March, the very low level in January brought the average down to about 50,000 barrels below the predicted daily level.

We should be aware--and act accordingly--that this first-quarter decline should last throughout the spring and summer, so that a sharp upturn would be needed in the fourth quarter to balance out the year in terms of the forecasts made in the budget.

According to what the market has shown so far, prices for crude products have remained more or less stable, because the decline between January and April

has not been more than \$1 per barrel on the average for the main crude products. The light products, meanwhile, have increased slightly, and the heaviest ones have fallen somewhat. Arabian Light was selling for \$28.05 on the spot market in mid-January, and by 8 April it was listed at \$27.70. Arabian Heavy went from \$26.75 in January to \$26.45, and Kuwait Export fell from \$27.20 to \$26.95 during the same period.

The lightest OPEC or non-OPEC products, on the other hand, have risen slightly. For example, Saharan Blend from Algeria was quoted at \$26.30 in mid-January, and rose to \$28.00 by 8 April. Bonny Light from Nigeria went from \$26.95 to \$28.15, and Brent from the North Sea climbed from \$27.55 to \$28.40.

The products have behaved similarly, but the end of the British coal strike, the lower than expected economic growth rate in the United States, the even lower growth rate of other industrialized nations, and the strength of the dollar in these countries, are all factors that have kept demand in general below expected levels.

As a result of these factors, prices are already suffering, and the prospects for our country are dim; we will probably not be able to maintain the prices of our crudes and heavy products, and will have to drop them somewhat (some think between \$0.50 and \$1.00 on the average) to keep them competitive and on the market.

As in the past, particularly in 1982, we could find ourselves up against the double dilemma of a drop in export volumes and in prices. The difference is that now we are more careful, and preliminary estimates are more modest and cautious. Thus, a decline in oil revenues would not be catastrophic, although we could be talking about an amount of \$500 to \$700 million in 1985. Though it is always risky to forecast figures on a market as vulnerable to non-commercial elements as the oil market, if we put together the factors already on the scene, we see that they are all negative to a certain extent. This means we should be very prudent and wary. We are entering a very difficult period in which all of the capacity of the petroleum industry will be necessary to deal with the varied circumstances and to overcome the situation. Fortunately, the Venezuelan oil industry has that capacity, but we cannot expect it to exceed the real limits of the market.

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CSO: 3348/642

VENEZUELA

PETROLEUM EXPERT DISCUSSES PRICE DECLINE, PRODUCTION CEILING

Caracas EL UNIVERSAL in Spanish 2 May 85 p 2-1

[Interview with Dr Rafael Tudela Reverter, oil expert and businesssman, by C. R. Chavez, in his office, date and time not given]

[Text] Although there may be no abrupt changes in the structure of oil prices on the international market (primarily on the spot market, with immediate repercussions on the contract market) through June of this year, by July and August the price of a barrel of oil may very well decline an average of \$2, mostly for seasonal reasons, stated Venezuelan oil expert and businessman Dr Rafael Tudela Reverter. Tudela suggested that Venezuela may need to adopt a more aggressive marketing policy, in other words a less complacent position, in order to counter the effects of the present competitive situation. As in the case of Nigeria within OPEC, and the Soviet Union outside OPEC, this competition poses potential risks that should be considered very carefully.

"The recent drop in production announced by Minister of Energy and Mines Arturo Hernandez Grisanti," began Dr Tudela in an interview in his private offices, "is not very significant, since it stems from the expectation in January that prices would fall, which caused a few delays in the receipt of crude oil shipments."

"The second quarter will certainly make up for this. I think that it is much more noteworthy that after the price adjustments were made at the last OPEC meeting, light crudes have begun to be more competitive on the market. This is especially significant considering that despite the favorable results of the first quarter in the United States, in April there was a 2 to 5 percent decline in demand, and in March there was a 5 percent drop in consumption in the four most important countries of Europe after the same thing happened in Japan.

"According to the latest news, this means that OPEC countries must cut production further, below 16 million barrels per day. Although the low level of reserves or inventories is a compensatory factor, this steady decline in demand (which confirms the structural characteristics of the situation) should alert us to the need to undertake a more aggressive marketing policy for Venezuelan crude. Otherwise, our economic situation will grow worse. We must be aware that the price could drop an average of \$2 per barrel in July or August.

"Venezuela's complacent attitude toward OPEC," added Tudela, "cannot remain the same. It must be modified to guarantee the population a minimum income. The country's unemployment rate is already intolerably high, and it will not be changed by external factors. As for internal factors, they have not changed either, and the necessary measures have not been taken to improve them. One of the key factors in keeping unemployment high has been bureaucratic red tape, and another has been the lack of economic freedom. All this has made it impossible to achieve a sustained economic recovery, which would be the appropriate way to resolve the crisis."

Nigeria and OPEC

"With regard to the OPEC sector," said Tutela, "as the PETROLEUM INTELLIGENCE WEEKLY reported in yesterday's edition, Nigeria is once again a thorn in the side of OPEC members, having announced a very flexible sales policy combined with a system of exchanges based on the barter idea.

"Nigeria's position in response to the exchanges carried out by Saudi Arabia, Kuwait and other countries has a lot to do with its situation. It is producing an average of 1.7 million barrels per day, and shows no sign of altering that trend, in contrast to its OPEC-assigned quota of 1.3 million barrels per day.

"I should also note," Tudela emphasized, "that Nigeria has barred the auditors designated by OPEC to verify production and export rates from entering the country to make the corresponding inspections.

"It is significant that 80,000 barrels per day is being exchanged under the plan of supplying oil in exchange for goods, in addition to the 60,000 barrels per day it was already selling to that South American country on the barter system, trading oil for Volkswagens. Nigeria has entered an agreement with FIAT to exchange petroleum for automobiles, based on a delivery of 50,000 barrels per day.

"With France as well, Nigeria has an agreement on the basis of the delivery of 50,000 barrels of crude per day. There is also talk of agreements with the Koreans, the Japanese, and the Belgians, involving these same "exchanges" that are actually bartering. It is estimated that these agreements will enable Nigeria to sell oil valued in monetary terms at \$12 billion to other countries. There is also talk of an agreement with Austria that would involve the delivery of 20,000 to 30,000 barrels of crude per day in exchange for some steel products. Similarly, Nigeria has drawn up an agreement with a German firm, in which Kuwait owns 10 percent of the stock, for 100,000 barrels of crude per day, also on the basis of "exchange." In other words, Nigeria is gaining access to the market through commercial bartering, which is the habitual and traditional method used by the Soviet Union and, in general, the other socialist countries."

Concerning Brazil, Tudela explained that "in this way, one of Venezuela's main potential customers will buy large quantities of Nigerian oil, while our country's workforce is enduring all kinds of deprivations."

"I really do not know how much longer we can tolerate this situation, but the circumstances suggest that sooner or later we will have to take restrictive measures like the one I have been suggesting repeatedly: excluding from Venezuela's quota the crude oil supplied to the countries in the San Jose Pact and to Curacao, and the surpluses from domestic consumption."

8926

CSO: 3348/665

VENEZUELA

AD PRESIDENT ON PRIVATE SECTOR PARTICIPATION IN OIL INDUSTRY

Caracas EL NACIONAL in Spanish 11 Apr 85 p D-8

[Interview with AD President Gonzalo Barrios by Leopoldo Linares; date, time and place not given]

[Text] Gonzalo Barrios foresees a heated debate within Democratic Action (AD) when it comes time to vote on the system for choosing new leaders and the next presidential candidate. Barrios admitted that there are many opinions on the subject, and that so far "nothing has been rejected or approved" in this regard.

As for the possibility of private investment in the petroleum industry, the AD president indicated that private participation in this sector would not be desirable, and asserted his view that hydrocarbon development and marketing should be kept exclusively in the hands of the state.

Barrios expressed the opinion, however, that many firms can work in connection with the oil industry without the need to reform existing legislation or to create new legal instruments.

With reference to President Ronald Reagan's position on the crisis in Central America, he said that any proposal encouraging dialogue and communication among the opposing factions would be a good idea. He explained that the Sandinist government has no reason to refuse to join talks in the search for a peaceful solution to the conflict in their country, but he emphasized that conditions that would require the Sandinists to back down should not be imposed. He advocated seeking new paths within the spirit of the Contadora Group, and in keeping with those nations' actions.

Domestic Situation

When asked about the subjects dealt with at the "mini-summit" held at his residence last Tuesday, which was attended by the representative of the President's Office, Dr Octavio Lepage, and by the president of the National Congress, Senator Reinaldo Leandro Mora, Barrios admitted that they had talked about the general situation, but had not reached any specific conclusions.

Then, referring to the reasons for the delay in the internal election process, he stated that this situation should be explained by the AD national secretary

of organization, Senator Luis Alfaro Ucero. In any event, Barrios stated that there is no ideological reason for the delay; it is a matter of practical or functional problems. He confirmed that before the end of 1985, the process itself will begin, with primary, municipal, district and regional elections, and that the national convention will certainly be held by early next year.

When we asked his opinion about the basic issue that is being discussed by the AD statutory reform committee, regarding the system that will be used to choose the new party officials as well as the next presidential candidate, Barrios stated:

"In that regard, there has been no agreement. I think that there will be a heated debate within the party, because there are many opinions on the subject, and I myself have not come to a clear decision. I will wait to decide until I have seen certain proof . . ."

[Question] Electoral colleges have reportedly been rejected . . .

[Answer] No, nothing has been rejected or approved. We have to wait until more specific discussions have been held on the various ideas before making a decision.

Oil Legislation

[Question] What is your opinion of the government's plan to reform hydrocarbons legislation to permit the participation of private sectors in the petroleum industry?

[Answer] I am of the opinion that private participation in the oil industry is not desirable, if it runs counter to a general principal that reserves activities in this sphere to the state. Now I suppose that other related activities do not require legal modifications for their work. At present many industries supply the oil industry, and they are in private hands. In that regard, I think that there should be no restrictions, and there is no need for new laws for them to be able to operate.

Barrios stressed that there are many companies working for the petroleum industry. For example, he cited those that manufacture pipes, spare parts and other material that is needed for the proper functioning of the oil industry. The AD president emphasized, however, that the development and marketing of hydrocarbons should remain in the hands of the state. He added that not even private participation through minority shareholding, as was proposed a few days ago, would be acceptable.

Reagan's Proposal

He stated that this matter is very important, and noted that it has been discussed in Caracas. He also said that people are awaiting President Jaime Lusinchi's formulation of Venezuela's position in New York. Barrios added that many threads of the situation in Central America are being drawn together in the United States these days, as several Latin American leaders and distinguished spokesmen of the Contadora initiative have gone there.

"We in the party believe in general," added Barrios, "that holding talks in search of a solution to a conflict is always advisable, especially in the Americas, at the level of the entire hemisphere, where we can assert that this is an established tradition. For example, in the neighboring country of Colombia, talks are going on between the government and the latent or permanent insurrection movement, and I don't think anyone can argue that the illicit, illegal or illegitimate nature of subversion has been an obstacle to that. Of course, there is no more legitimate movement in the Americas, from the juridical point of view, than the Colombian subversives, yet the government is holding talks with their representatives. On the other hand, we have the example of El Salvador, where there have been contacts between the government and the revolutionary insurrectionists."

"Thus," asserted Senator Barrios, "I do not think there is any good reason for the Sandinists to refuse to talk about possible solutions to the state of war that prevails in that country. That is one thing, however, but trying to impose conditions that would mean the regime's giving in or stepping down would be quite another matter. Then they would indeed have good reason to refuse to talk."

[Question] What could Venezuela's position be regarding President Reagan's proposal?

[Answer] We would participate, and I think that will be the stance adopted: that within the spirit of the Contadora group and in keeping with those nations' actions, an effort should be made to start such talks, and that this should in no way involve prior conditions or invitations to the Sandinists to commit suicide.

[Question] Then Reagan's proposal could fit within the framework of Contadora . . .

[Answer] I believe that Reagan's proposal does not fit within the framework of Contadora, but it could be adjusted. That is the important thing, because it implies certain interventionist elements that are not in keeping with Contadora.

Before concluding the interview, Barrios expressed optimism about the results of President Lusinchi's trip to the United States. He asserted that the chief of state is in good health. He jokingly recalled that during his absence, there were rumors that President Lusinchi was undergoing kidney surgery and that Dr Barrios himself was having eye surgery. When someone asked him about it on his return from the United States, the AD leader responded: "I haven't heard anything about the kidney, but I have heard that I lost an eye or that I was about to lose it . . ."

Before concluding, he admitted that "there is some truth to the rumor about a medical check-up" for President Lusinchi, and added that "the excessive secrecy has aroused speculation."

"What I do think, and I do not want to commit any indiscretion by saying this, is that he has been advised to lose weight, certainly a very drastic recommendation."

VENEZUELA

1.4 BILLION BARRELS OF LIGHT CRUDE OIL RESERVES DISCOVERED

Caracas EL UNIVERSAL in Spanish 20 Apr 85 p 2-3

[Text] The discovery and subsequent technical identification of a new petroleum province, this time in the state of Apure, very close to the Colombian border, is considered a very positive development. The reason is that the oil in question is light crude, of which the country has only small proved reserves.

In this regard, the president of Corpoven, Dr Frank Alcock Perez Matos, spoke in detail about the main results obtained by this major subsidiary of Venezuelan Petroleum, Inc. (PETROVEN). Referring to accomplishments in the 1984 fiscal year, he stated, "The discoveries of light petroleum in the territory of the Paez District of the state of Apure are our firm's most important achievement of 1984, and one of the most significant in the entire national petroleum industry in recent years."

President Alcock stated that Corpoven eventually expects to be able to add some 1.4 billion barrels in new reserves if its predictions about this new basin continue to be confirmed. "This constitutes a valuable contribution by Corpoven to the country's economic assets, particularly at a time when it is important that we augment our light crude reserves."

"In 1984, our firm," he stated, "confirmed the presence of significant deposits in La Villa, San Julian, Machiques, Alturitas and Alpuf, on the western shore of Lake Maracaibo."

Alcock added that "of the area's total resources, estimated at 1.3 billion barrels, so far some 675 million barrels has been discovered. In addition, 34 wells have been drilled, with a production capacity of 35,000 barrels per day."

Another significant achievement stressed by Dr Alcock was the fact that "in 1984, 419 million barrels of proved reserves were added, meaning that for the first time in Corpoven's history, remaining proved reserves exceeded 3 billion barrels."

He also pointed out that "the firm's potential production reached 425,000 barrels per day in 1984, an absolute increase of 11,000 barrels per day over the 1983 total."

"A total of 142,000 barrels of crude products was processed in our refineries each day," he went on, "which represents an increase of 16,000 barrels per day over the 1983 level. This is a record in our company's refining history." Alcock explained that in 1984, "an average of 63,000 barrels of gasoline was produced each day, which included 11,300 barrels of unleaded gasoline, 34,000 barrels of distillates, 2,000 barrels of liquefied gas, and 59,000 barrels of residual fuels. These figures reflect an increase of 15,000 barrels per day in the production of goods with a higher strategic value (gasoline and distillates) over the previous year's figures. I should also emphasize that in 1984 we began exporting aviation fuels (Jet A1) from the El Palito and Bajo Grande refineries."

Regarding the Yagua Distribution Plant, a key factor in the development of Carabobo and the central region of the country, Alcock stressed that "in 1984, more than 16 million barrels of fuel was shipped out, covering a market that includes the states of Apure, Aragua, Cojedes, Portuguesa, Barinas, South Carabobo and part of Guarico. To give you an idea of the significance of this facility, suffice it to say that up to 845,000 barrels of fuel can be stored in it, equivalent to more than half Venezuela's current daily production," he stated.

Alcock mentioned that "in 1984 Corpoven's conceptual plan for developing the Nurgas project was approved. Under this project, Corpoven will build a new gas pipeline 802 kilometers long, from Anaco in the state of Anzoategui to Rio Seco in the state of Falcon. The pipeline will fulfill the rising demand for gas, especially in the central region of the country. In addition, it will make possible the gradual replacement of liquid fuels that could be exported, which would have a favorable impact on our country's foreign reserves."

Alcock reported that Corpoven supplied 40 percent of all the energy consumed in Venezuela in 1984, and added that Corpoven's sales in the country, including natural gas, represent the equivalent of 319,000 barrels of petroleum per day. "Of that total, there was 172,000 barrels per day of natural gas in petroleum equivalent, and 147,000 barrels of products including liquefied gas. It should be noted that 25,000 barrels of refined products per day was saved in 1984 by making more use of the natural gas promoted by our company." In addition, Alcock stressed that Corpoven was the final distributor of 60 percent of all hydrocarbons consumed in the country.

As for Corpoven's contribution to the nation as a product of the profits on its operational activities, Alcock stated that in 1984 that contribution was more than 12 billion bolivars. "In addition, and as a result of our policy of stimulating Venezuelan industry, 862 million bolivars worth of materials and equipment were purchased in the country, 73 percent of all purchases. This represents a significant increase over the 1983 figure."

He noted that in accordance with the recovery policy and the effort to make better use of materials and equipment, during the year "equipment from the old refinery in Moron was used on important projects, such as those carried out on the western shore of Lake Maracaibo and in Apure. This led to a savings of 51 million bolivars in 1984."

Another important achievement emphasized by the president of Corpoven was the fact that for the fourth year in a row, total spending by the enterprise fell below the budget. "The level of spending in 1984," he reported, "was 5 percent below the original budget."

Alcock concluded by citing a few social and community projects that Corpoven carried out nationally in 1984. "The Torunos-San Silvestre-Campo Mingo Highway was completed. With an investment of 55 million bolivars, this road connects the agricultural and petroleum production centers of the state of Barinas. In Zulia, major donations were made to centers of higher education, such as the University of Zulia (for the laboratory infrastructure of the School of Petroleum Engineering) and Rafael Urdaneta University (for the construction of a library building). In Carabobo, donations were given to the University Institute for Firefighting and Safety, headquartered in Valencia, and to the Central Technological University (UNITEC), for the expansion of its facilities. We have proceeded with the Acude-Corpoven program that was begun 3 years ago in the town of San Silvestre, Barinas. Today this program has extended throughout the country, teaching reading and writing to more than 1,000 Venezuelans."

"In all our efforts, we have enjoyed the firm support of our entire staff, who at various levels have served us with loyalty, devotion and discipline, to give the country the results it requires of its petroleum workers," concluded Frank Alcock, president of Corpoven.

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9 July 85

Wearing a spotless white guayabera and a metal crucifix that stands out against his chest, the 51-year old monsignor received this reporter to discuss the most burning state issues from the Church's perspective.

"Chiapas is in the gunsight of the national and international destabilizers, who see that it is very close to Central America and who realize that its economic potential represents its very lifeblood as well as prosperity for much of the southeast."

"This state provides more than a third of the nation's hydroelectric output, accounts for 40 percent of the country's hydrocarbons production and supplies almost half of its coffee harvest.

The man who has represented the Church for more than 10 years in the state has the following to say about its problems of time and space:

"I am in favor of changing the society in which we currently live. Inside, I rebel against the present structures of oppression and exploitation of man and natural resources. This is why I intend to help society and the world seek new horizons and courses, even if we have to run the greatest of risks."

"That sounds revolutionary," remarked this reporter.

"Perhaps," he replies cautiously, "but in any event it would be a revolution in the name of the Gospel. We have to do away with violence... Before thinking about toppling structures through the class struggle, we have to think about changing man."

The greying, athletic-looking Monsignor Aguirre, who is constantly visiting villages, hamlets and Indian communities throughout the state, gives well-thought-out, concise answers to questions.

"The Gospel does not ask for alms from any ideology, either Marxist or capitalist. By this I mean that the Church serves man on the basis of the Gospel, and we don't care whether people are on the right, in the center or on the left. We take sides in their struggles, but not in the struggles of their parties."

In this connection, the clergyman explains how peasant farmers have been used as just so many cogs in a campaign machine by political groups that have capitalized on discontent in the countryside to improve their political standing.

"The peasant farmers of Chiapas are politically, social and economically disadvantaged people who are paid attention to only when parties want their votes or their attendance at marches or sit-ins that do them absolutely no good. These are the exploited people who no longer believe in anything, who see that their labor is worth nothing and who matter to no one.

"Their severe political and cultural underdevelopment and their shocking illiteracy have made them the most vulnerable and the most downtrodden segment of our society."

Agricultural censuses in the state reveal that more than half of the arable land is in the hands of large estate owners.

"There is administrative chaos when it comes to solving agrarian problems, an excessive bureaucratization that has allowed problems to worsen from administration to administration," the monsignor notes.

"Flanked by two large pictures of Paul VI behind him, Monsignor Aguirre stands up to emphasize a point: "The Church does not manipulate; it helps." He immediately goes on to say: "The clergy must be involved in politics, but not in partisan politics, in the politics of the common good."

"As a bishop and as a Mexican, 'I do not deny my parish's cross.' I cannot and must not be involved in any political party, but I do have to be a faithful servant of the community and be committed to the noble causes of the people."

The monisgnor, who has seen four governors come and go (Manuel Velasco Suarez, Jorge de la Vega Dominguez, Salomon Gonzalez Blanco and Juan Sabines Gutierrez), then says something that almost sounds like a proposal:

"The Church and the government ought to work in parallel for the good of the peasants. There is cooperation from our side, the clergy, the Church, and the government must bear in mind that we have pushed strongly for unity."

The Work of the ILV [Summer Institute of Linguistics]

At this point, I asked Monsignor Aguirre about an association that is engaged in efforts that are precisely the opposite of what he says the Church is after: unity. The ILV has waged campaigns that far from benefiting the peasants or the Indians (one quarter of the people of Chiapas are Indian), have brought the dissolution of groups that have been united and homogeneous for ages.

"The Summer Institute of Linguistics is doing a marvelous job in practicing a colonialism that is dividing and destroying our communities," he asserts.

The Catholic clergyman (91 percent of Chiapans are Catholic; the other 9 percent are Protestant) adds that the ILV is currently engaged in an intense campaign in southeast Mexico. "Chiapas," he noted, "is one of the states where the presence of this institute is strongest, with its linguistics experts who are generously paid by the U.S. Government."

"I know them, I have dealt with them, and I know that some of them are acting in good faith." In the opinion of the bishop, the institute has scientists and experts who are doing "admirable work" in translating the Old Testament.

No sooner had he said this than he stood up from his chair to show me a bible translated into Zoque, picking it out from among the small number of volumes he has arranged on a short bookshelf.

"Isn't this admirable?" he asked smiling, as he leafed page by page through the translation. On one finger of his pudgy hands he was wearing a beautiful gold ring engraved with the image of a cathedral. "It's a marvelous piece of work."

Seeing the reporter's unresponsiveness, the monsignor put the book back in its place and returned to his seat.

"Well, the fact is that although this institute prepares excellent biblical material, it also undeniably engages in colonialism."

The ILV prepares and distributes materials among a multitude of Protestant sects arriving from the United States, through which it does its proselytizing. These sects (Jehovah's Witnesses, Seventh Day Adventists, Nazarenes, Presbyterians and the Pentacostal Church) have spread out among indigenous villages such as Pantepec, Tapalapa, Coapilla, Ocotepec, Copainala and Tecpatan, among others.

"The ILV," he indicates, "has been the source of the negative developments that we are witnessing: the loss of our indigenous cultures, religious clashes that often carry over to the political arena, and the use of these sects as fronts for intelligence operations."

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CSO: 3248/359

12 June 1985

MEXICO

ZACATECAS BISHOP REJECTS VIOLENCE, MATERIALIST IDEOLOGIES

Mexico City DOCUMENTACION E INFORMACION CATOLICA in Spanish 18-25 Apr 85
pp 313-314

[Text] Editor's note: Monsignor Javier Lozano Barragan, the bishop of Zacatecas, herewith makes public statements about the upcoming elections. Though he has been interviewed on several occasions, his thoughts have not been interpreted accurately. He thus wishes to make them clear in the following statements, which the members of the Diocesan Curia endorse. The complete text of his statements bears the date 11 March 1985.

The Upcoming Elections

1. In several press interviews I have been asked about violence and other matters having to do with the upcoming elections. In the following lines I would like to put forth some ideas in this regard, inasmuch as my thoughts have been misrepresented. No one wants violence at any time during the forthcoming elections, but in order to prevent violence, certain preconditions must be in place. These preconditions are:

a) Political party pluralism must be accepted. What does this mean? It means not thinking that there should only be one party and not blaming the other political parties for everything. It means not thinking that a single group of people is in the right and that everyone else is in the wrong.

b) It means that as Mexicans we must all realize that there are many different ways of viewing the common good, which boils down to the economic, political and social conditions that Mexicans require to fare well as individuals and as a nation. This is basically what a political party is: a specific way of viewing the common good and of proposing this view to society.

c) What these different approaches have to guarantee is man, human dignity, because the common good is for man.

d) If a party's conception of the common good enslaves man, if a party impairs the inviolable dignity of man, if a party proposes dictatorships, then we say that this party should not be voted for.

2. I have been asked: Does the Church forbid people to vote for a leftist party? My response is as follows: It is very difficult to speak of politics in mathematical or geometrical terms and say this is rightwing or leftwing. In everyday parlance, especially in political jargon, anything leftwing is good, and anything rightwing is bad, because rightwing is understood to mean exploitative capital, and leftwing to mean the rights of the people. In this sense, the Church would be anti-Right and pro-Left. But there is a huge element of demagoguery here, because the mask of the people has been used to disguise dictatorial, totalitarian ideologies that destroy human dignity, such as Marxism-Leninism. In this case, the Catholic Church tells Catholics that they should not vote for a party that destroys the dignity of the human person.

3. Marxism-Leninism, as an ideology and as a praxis, destroys human dignity. Therefore, we should not vote for a party that adopts Marxism-Leninism as an ideology, as a party spirit. We are defending the dignity of the person. We are not for the Right or the Left; we are for the dignity of the person, of man, for the salvation of man, not for the salvation of capital that is unjust and not for political demagoguery.

4. I have also been asked whether Marxism-Leninism is a threat to world peace. I have replied thus: Both Marxism-Leninism and liberal capitalism are unquestionably a threat to world peace. Materialism, which is based on and aims solely at wealth, is called capitalism when one has such wealth and is called Marxism-Leninism when one does not and wishes to. This is a low-minded, short-sighted view of life, devoid of transcendence or depth; it is mere consumerism, an attempt to satisfy only immediate, not future needs. This is a narrow-minded humanism, a dead end.

5. These are facades, and this is what is ruining us Mexicans. When we set about examining something, such as elections, on which the future hinges, we must go beyond facades and superficialities such as leftwing and rightwing, Marxism-Leninism and liberal capitalism. We must think creatively about shaping and educating future generations of Mexicans, avoiding the approaches and frameworks of the past. We must not copy the Yankee or the Russian outlook, because after all each would just make Mexico a dependent, enslaved country.

6. We Mexicans are entitled to freedom, a freedom that means being interdependent, not dependent, which is different. From today on, let us be foresighted and establish the basic preconditions to prevent violence: respect for the dignity of the human person and respect for the beliefs of each individual. Never violence.

7. In conclusion, I have been asked whether by voicing these thoughts the clergy is not getting involved in politics. My answer is that there are two ways of looking at politics: as a science of the common good and as partisan politics. The clergy must not involve itself in partisan politics. But it should guide the faithful as to how they can extend Christ's charity into their daily lives and, therefore, into politics as the science of the common good. Such politics is one of the best ways to practice charity, which must not remain divorced from just distribution, which demands the right man in the right place for the good of society.

Zacatecas, Zacatecas, 11 March 1985

[signed] Javier Lozano Barragan, Bishop of Zacatecas

Note: As members of the Diocesan Curia, we endorse these statements of his excellency the bishop.

Father Vicente Garcia Bernal, vicar general

Father Conrado Romulo Puente Avila, administrator of BB.TT.

Father Pascual Davila P., episcopal vicar

Father Angel Campos Mota, secretary general

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CSO: 3248/358

MEXICO

SALTILLO CHURCHMAN CRITICIZES PAN

Mexico City EXCELSIOR in Spanish 6 Apr 85 States section p 20-A

[Excerpt] The Church has called on the authorities to respect people's votes at the upcoming elections and has asked citizens to vote "responsibly."

The archbishop of Ciudad Juarez, Adalberto Alemida, indicated: "Although we know that we are not supposed to become involved in politics, it is our duty to make the people aware that they should vote for deserving candidates." Separately, the spokesman of the bishopric of Saltillo, Jose Bonafox, said that the Church wants Mexicans to resolve their political differences peacefully.

Adalberto Alemida y Merino indicated that citizens have the responsibility to elect their finest representatives and not to allow injustices to be committed.

He stated that after an election, citizens should monitor the performance of their representatives in the Chamber of Deputies and call for their removal if they are not doing their job.

Jose Bonafox said that the Church was mankind's only option for surmounting the crisis of values and finding peace.

The crises of values among both individuals and nations are bringing us ever closer to another world war, he said, reiterating that the Church condemns the violence that certain political parties, such as PAN [National Action Party], resorted to during the past municipal elections in Coahuila.

It also condemns "the totalitarian actions that have been taken under certain circumstances to keep PRI in power even though it has been defeated at the ballot box."

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CSO: 3248/358

MONTSERRAT

FINAL PART OF INTERVIEW WITH CHIEF MINISTER OSBORNE

Plymouth THE MONTSERRAT TIMES in English 12 Apr 85 p 7

[Second and final part of interview with Chief Minister John Osborne by Keith Bramble, staff reporter, date and place not specified; for the first part of the interview, see JPRS LAM 85-045, 21 May 1985, pp 103-104]

[Text]

QUESTION: Do you think, Sir, that the qualifying regulations of the CBI plan are too rigid?

ANSWER: I do not think that we can make a general statement about all of the qualifying regulations. Most of them are quite reasonable while others could have been made a little easier. For example, the list of items which are not eligible contains clothing and certain types of leather products and footwear. This we find somewhat rigid especially when one realizes that uppers without soles would be eligible.

On the other hand, eligible products are required to meet a 'rules of origin' criterion. That origin rule states that at the time of entry in the US, 35% of the value must have been added in the beneficiary country. So simple combining or packaging operations, or dilution with water or some other substance would generally not meet this requirement.

In order to qualify, the product would need to be either wholly the growth, product or manufacture of one or more beneficiary countries, or it must be substantially transformed into a new or different article of commerce, which is then used

to make a new or different article

Such a requirement would force the beneficiary countries to develop their production and manufacturing capability. And there are many other rules of this sort which one can hardly argue with. You don't expect a country to give you one-way duty free privilege, and then leave it open-ended so that you could order things from other countries and reship them.

QUESTION: Sir, what has been the response of the British Government to your request for an increase in aid?

ANSWER: Very simply stated, I think it has been very favourable and I wish it were even better. Let me deal with the favourable part first.

In 1979, the amount of British Aid Montserrat received was \$238,000.00 and in the last five years (1980 - 1984) we averaged over EC \$4M per year, with a high of EC \$6,252,000.00 in 1982. That is definitely a substantial increase.

In terms of my wishing it were even better . . . let me explain. I would like to see the British Government decide as a matter of policy to give us one

relatively large project every 4 or 5 years (in addition of course to amounts which we now receive). They could help us identify a project, help us work out the details and finance it for us. And while that one is being implemented the search begins for another, so that every four or five years we get one large project.

If this happened, we would reduce our economic dependence to the point where such assistance would no longer be necessary.

QUESTION: *In light of the fact that the Montserrat economy has slowed down considerably, has the Government's views on independence for this 39 square mile territory changed any, Sir?*

ANSWER: Government's position on the question of independence is still that as has been outlined in a statement issued by the Executive Council. The statement is as follows:

The Government considers that independence is both inevitable and desirable provided it is preceded by Montserrat achieving a level of economic and financial viability sufficient to sustain it as an independent state. And to this end, it is the Government's intention to seek from H.M.G. and other aid donors levels of aid necessary to achieve such viability.

The grant of independence will not be sought without the support of the majority of people of Montserrat.

QUESTION: *Sir, are you in a position to comment on the reaction of the British*

Development Division to the proposals forwarded by Messrs. Gold and Gibbs for the development of Little Bay?

ANSWER: As you are aware the Little Bay project as presently perceived, requires both public and private sector financing. Both BDD and CIDA have indicated their willingness to assist with the public sector portion. You also know that BDD has already spent over EC \$1.5M and is presently spending more. They have purchased the estate, financed the Halcrow Fox Feasibility Study, and the access road and are presently financing a consultancy to search for reputable and able potential investors. In addition the CDB has promised to assist.

Now BDD has stated that they will only contribute to the public sector portion if substantial capital investment is forthcoming from the private sector. The Gibbs and Gold proposals do not project substantial private sector investment in a manner that will attract BDD funds.

Let me go further though. The consultancy I referred to above is presently at work. They are open to considering all interested parties and will be letting us have their report by mid 1985.

So any investors, including Gibbs and Gold, who are interested in the project, who think that they have the capability financially and otherwise, need only contact the Consultants (who are working on our behalf) and have their proposals assessed.

MONTSERRAT

DETAILS OF GOVERNMENT'S PUBLIC-SECTOR DEVELOPMENT PLAN

Plymouth THE MONTSERRAT TIMES in English 26 Apr 85 p 10

[Text]

Aid flows must exceed all previous levels for the Montserrat Government to achieve the total implementation of its new 80-page Public Sector Development Plan estimated to cost EC \$26 million over a three year period.

Schemes are neatly costed but in most cases the source of funds is listed as "unknown."

Government planners concede in the introduction to the plan. "This is of course a very ambitious programme and far exceeds anything which donors have been willing to make available in the past.

"It will, unfortunately, have to be almost entirely donor financed for the foreseeable

future.

"There are no prospects for recurrent budgetary surpluses of any significant size for the next few years. Already the 1984 budget seems unlikely to have recorded an appreciable surplus, and the prospects for 1985 are that things will be very tight."

The planners say the plan was produced "primarily in response to donors' request that government's development strategies and priorities be articulated in a document such as this."

Agriculture, industry and tourism are the main priority areas on the economic side while housing, education and health are emphasized on the social side.

Where the money will go

Tourism, including Little Bay	\$21,300,000
Industry and Energy	8,560,000
Finance and Audit	3,460,000
Education and Libraries	5,798,000
Health	3,283,000
Housing and Community Services	9,563,000
Electricity	4,617,000
Water	4,938,000
Seaport	2,980,000
Roads and equipment for PWD	8,295
New airport at Trants	22,000,000

PERU

APRA SAID STILL LACKING DEFINITIVE ECONOMIC PLANS

Lima INDICES DE LA ECONOMIA in Spanish May 85 p 1

[Text] "Alan Garcia is taking so long to name his economic team because he has no people," a high-ranking public official commented worriedly the other day. "You are wrong," replied a colleague, "the problem is that he has too many people, and he doesn't know which to choose." To a certain extent, this response was correct; the new government has such an array of options with so many subtle differences that reconciling them and merging them will take not only time but also political savvy.

Rather than names, the problem lies in choosing among programs and specific measures. Inside the trenches of the American Revolutionary Popular Alliance (APRA), representatives of different factions, ranging from what someone has called "monetarist Aprism" to the self-proclaimed, dyed-in-the-wool statist, have heaped criticism on the economic policies of the current administration.

For example, it was not long ago that a noted economist at the National Economic and Planning Council (CONEPLAN), Jayzuno Abramovich, suggested an immediate hike in gasoline prices and a retreat from the aversion to the so-called "maxidevaluation." He pointed out that the monthly adjustments had stopped being "mini" some time ago. It was difficult to differentiate between these suggestions and those that Richard Webb was making at the time in his debate with Sandro Mariategui and his "Muppets." Today Abramovich must be kicking himself everytime he hears the words "reservoir" or "exchange controls" in his party.

On the other hand, the new president's criteria for the "Cosmos" team, especially leaders Javier Silva Ruete and Manuel Moreyra Loredó, are also clear. The problem is that certain aspects of the alternative program that they have been advocating openly contradict the proposals advanced by the candidate throughout the campaign.

Just a month ago, Manuel Moreyra stated publicly that one of the pillars of the new economic system should be the reduction of consumption for 2 years in order to absorb external and internal imbalances. Moreyra also proposed that domestic savings be given priority, considering that the future prospects for indebtedness are truly horrific.

But how will the new administration satisfy all the expectations for the reactivation of production and the improvement of living standards, expectations that were aroused by its own political message, if it pursues a policy of cutting consumption?

"When a family does not have enough income, it either spends less or sells the television set," said former Minister Luis Barua Castaneda, and Moreyra feels the same way. The problem arises when selling the television set does not generate enough income to meet debts.

Here, the major difference is that because of his specialization, Moreyra is much closer to the "gap theory" than the pro-reactivation theories. He was justifiably concerned about the fiscal gap, the external gap, and the savings gap, not the gaps between city and country, rich and poor, Lima and the interior, which were the leit motiv of the campaign speech.

Garcia, on the other hand, is more drawn to the proposals on the foreign debt that Moreyra has been advocating for some time. The former president of the Central Reserve Bank (BCR) contends, as Richard Webb proposed to the current administration a year ago, that it is possible to survive for a while without an agreement with the International Monetary Fund by engaging in bilateral negotiations with creditors. During this time, all the economic measures that Jacques de Larosiere's technocrats would consider heretical could be adopted, and then with the program already in place and working, attention could return to a letter of intent.

A third current of thought in APRA is that of CONAPLAN. Its headquarters, on the little street of Ignacio de Loyola, has become the fortress of the reactivators. Publicly, moreover, Alan Garcia has given more than one indication of support for the group headed by Luis Alva Castro, meeting with them after his victory and including them in the most important working meetings.

In addition, this is the origin of much of the speech he gives in specialized forums. Even so, other APRA sectors have warned Garcia of weaknesses in CONAPLAN's proposal. For example, how can the corruption, bureaucratic red tape and inefficiency that accompany any import controls be curbed, and how can the currency be defended from speculative schemes, when a differential exchange rate is openly proclaimed?

The final choice will have to come out of this overall picture. The approach selected does not have to follow any particular line, contrary to expectations and predictions. All indications are that Garcia will implement a presidential style of managing economic affairs much more directly, taking ingredients from every proposal, combining people and ideas, in order to put together his own program without being bound to any group. For this reason, it is also likely that whoever heads the ministry on Avenida Abancay will not be one of those who have already laid their cards on the table, but rather an ace Garcia still has up his sleeve.

8926
CSO: 3348/667

PERU

APRA ADMINISTRATION URGED TO CONTINUE NEGOTIATIONS WITH IMF

Lima EQUIS X in Spanish 6 May 85 pp 26-27

[Article by David Medianero Burga; passages enclosed in slantlines printed in boldface]

[Excerpt] Recent statements by Dr Alan Garcia Perez have stirred up the debate (which has been going on for quite a while, moreover) on our country's relations with the International Monetary Fund (IMF). The president-elect of Peru has asserted the new APRA administration's desire to exclude the IMF from the negotiations on the payment of our hefty foreign debt, and to deal directly with the creditor banks and governments on this matter. This statement is undoubtedly a symptom of the sovereign orientation that the Aprista Party of Peru (PAP) administration will convey during the 1985-1990 term. The refusal to deal with the IMF /as a matter of principle/ may be the least pragmatic way, however, to carry out its own economic plans.

As we will show later, the IMF will be present on the national scene at least until 1990. This presence, which is after all very unfortunate, demands that we be prepared to negotiate properly with the IMF, abandoning the negligence of the past.

Stand-by Agreements in 1977-1984

According to all the technical analyses of the external sector's prospects, the IMF's presence will be inevitable, given the heavy burden the servicing of our foreign debt will impose on us, even if the prices of our exports improve substantially.

In this regard, an econometric projection drawn up by Jorge Torres (see chart), which even assumes an improvement in exports, a more dynamic GDP and a strong growth of international prices, yields a balance of payments current account deficit of about \$1.4 billion in 1985. This deficit will grow steadily, to reach \$2.3 billion by 1990, according to the projection.

Furthermore, if we add to this the principal payments on the debt, the financial requirements total \$2.6 billion in 1985 and will reach \$3.7 billion by 1990 (see chart).

It will therefore be necessary to resort once again to the upper levels of drawing rights that the IMF grants under stand-by agreements with many conditions imposed. For this very reason, it might be very useful in the future to go over the conditions, goals and measures taken as a consequence of the stand-by agreements signed by Peru between 1977 and 1984.

As of April 1984 the Executive Board of the IMF had approved 20 /stand-by/ credits and an /extended fund facility/ for Peru. Between 1954, when the first agreement was signed, and 1984, when the last was signed, 30 years of nearly continual relations between Peru and that institution went by, aside from the regular annual consultations.

In the last period (1977-1984), unlike the experiences of the 1950s and 1960s, these relations were quite tense because of the /repeated/ failure of Peruvian administrations to meet the standards and requirements for compliance. The only exception was the two /stand-by/ agreements in effect between August 1978 and December 1980, when the commitments were facilitated by the boom in our external sector.

What factors are present today that were not here in previous decades to hinder compliance with the /stand-by/ agreements?

Studies by Jurgen Schuldt reach the fundamental conclusion that it was the strong social reactions to the neoliberal economic policies. This greater capacity for reaction is a product, above all, of the reforms instituted by the Velasco government.

Because it is impossible to restrict the income of the population through direct measures, inflation has become a permanent phenomenon, to the extent that it serves as a functional mechanism to reconcile the demands of social groups with the economy's real possibilities.

How to Negotiate with the IMF?

In view of the inevitable presence of the IMF in the coming years, it is imperative that we carefully study the idea of adopting a /negotiation strategy/ and begin to form technical teams that are specially trained for the job.

Judging by the text of all the agreements with the IMF, there are four areas of negotiation in terms of economic measures to adopt.

The first, generally the most important, refers to /fiscal policy/: tax administration, pricing policy of public enterprises, subsidies, etc.

Second is /monetary policy,/ which is based not only on manipulating interest rates but also curbing the growth of the money supply. In the area of the /external sector,/ the measures to be negotiated have to do with the exchange rate adjustment and the tariff policy. Finally, the fourth area is /remunerations./ The IMF is known to favor the overall reduction of wages in real terms and their selective increase on the basis of rising productivity.

To negotiate properly with the IMF (and even to break off negotiations eventually), we must develop a macroeconomic model that presents an alternative to the Polak balance of payments monetary approach used by the IMF. This model, as Jurgen Schuldt so aptly points out, should possess formal characteristics similar to those of the IMF model so that quarterly goals can be controlled. But it should be built on a paradigm and contents that are adapted to our needs.

In general, the political orientation of the negotiation of our past foreign debt and future requirements should be a different approach to negotiating with the IMF. We agree, in this regard, with the statements by Manuel Moreyra that appeared in last Sunday's edition of VISION PERUANA (28 April). In response to a question from the interviewer, the leader of SODE [expansion unknown] answered: /"I have advocated not doing without the IMF, but doing without the kind of arrangement that is negotiated with the IMF, which has proved to be ineffective and unfair."/

Balance of Payments Projections 1985-1990
(billions of dollars)

	1985	1986	1987	1988	1989	1990
Exportaciones (1)	3.5	3.6	3.9	4.3	4.7	5.1
Importaciones (2)	-3.7	-4.1	-4.6	-5.1	-5.7	-6.3
Exportaciones Servicios (3)	0.9	0.9	1.0	1.1	1.2	1.3
Importaciones Servicios (4)	-1.0	-1.1	-1.2	-1.3	-1.5	-1.6
Intereses (5)	-1.1	-1.2	-1.0	-0.9	-0.8	-0.8
Balanza Cuenta Corriente (6)	-1.4	-1.9	-1.9	-1.9	-2.1	-2.3
Amortización (7)	-1.2	-1.6	-1.4	-1.4	-1.2	-1.4
Requerimientos Financieros (8)	-2.6	-3.5	-3.3	-3.3	-3.3	-3.7
FUENTE: Estimado (CIUP, Ibid) (9)						
Elaboración: Jorge Torres (10)						

Key:

1. Exports
2. Imports
3. Services Exports
4. Services Imports
5. Interest
6. Current Account Balance
7. Principal
8. Financial Requirements
9. Source: Estimate (CIUP, Ibid)
10. Compilation: Jorge Torres

8926

CSO: 3348/667

PERU

MOREYRA OUTLINES FOREIGN DEBT REDUCTION PROPOSAL

Lima EL COMERCIO in Spanish 28 Apr 85 p F-1

[Text] Dr Manuel Moreyra Loreda, former president of the Central Reserve Bank, this week repeated a proposed solution to the foreign debt at the Latin American level. Its main features are the reduction of financial costs and partial postponement of its payment.

According to the author of the initiative, this entails "serious programs of internal economic reorganization that make it possible not only to complete our adjustment process but to lay the bases to increase exports and self-sustained economic development through domestic savings with the responsible use of the new resources saved."

"If the relief achieved is used to postpone necessary but politically unpopular economic measures and the economic efficiency that led us to the current situation is maintained, a historic opportunity will be wasted. The possibility of achieving foreign relief to the extent now possible through good negotiations, thanks to the spread of the crisis, will probably not occur again."

The proposal was made in March 1984, exactly 13 months ago. According to Moreyra himself, it is still very current.

It contains the following points:

Enormous Costs

1) To renegotiate the foreign debt service for the next 5 years or the number of years necessary, based on the characteristics and needs of each country.

To the lawyer who is an expert in economic and financial matters, "the current procedure through which the debts due in the next year are being negotiated entails enormous costs for the authorities of the debtor countries and the officials of the creditor banks and institutions in terms of time, administrative expenses, etc. This cannot continue. There is more and more consensus between creditors and debtors about the need for a global renegotiation that definitively confronts the problem."

100-Percent Amortization

2) A refinancing of 100 percent of the capital amortizations due in that period with minimum terms of 15 years and grace periods of at least 7 years.

According to Moreyra, "this need to refinance the long-term due dates with generous grace periods is dictated by the possible evolution of international financial markets toward Latin America. In the short and medium terms, these will continue to be unfavorable for the area. Therefore, this relief is indispensable so that a bad situation of capital exporters does not worsen and they have time to reshape their economies. Also as long as existing protectionist practices are not eliminated, the prospects of our exports, the only means of paying the foreign debt service, will not substantially improve."

Nothing in Commissions

3) A substantial reduction of financial costs, based on the following:

a) Elimination of the "spreads" or surcharges over the preferential market rate in each creditor country and elimination of all commissions.

b) Recognition by the debtors of a maximum interest rate. This could be two percentage points above the real interest--that is, higher than domestic inflation--to a maximum of the historic average rate before the crisis of the 1970's.

c) Commitment from the debtors to pay on the due date only a portion of the maximum interest recognized if this were necessary due to the percent of payments with respect to exports. In other words, the annual payments would depend on the situation and prospects of the balance of payments of each debtor country.

d) Capitalization of the unpaid portion of the maximum interest rate recognized; and

e) Assumption by the government of the creditor country of all or part of the difference of the unrecognized interest service.

Internal Adjustment Without Waste

4) Finally, a firm commitment from the governments of the debtor countries to adopt a responsible economic and financial policy that continues the adjustment and promotes exports and the ~~guarantee that this foreign relief will not be used to purchase arms, carry out major projects of questionable profitability or pay for current expenses of the public sector or excessive consumption by the government and the population.~~ A renovated IMF could be useful in this plan.

Improves Position of SELA

Moreyra's proposal is a version of the one made by SELA [Latin American Economic System] and begins with the recognition that the "context of international trade and payments is unfair. This gives us the basis to present a serious program. The debt problem is serious and will not be solved with the type of refinancing that has been granted...."

Finally, Moreyra stated that a fair compromise is sought since they do not want to cause the bankruptcy of any international banks.

7717

CSO: 3348/649

PERU

BRIEFS

NATIONAL POTATO PRODUCTION EMERGENCY--CONAPAPA [National Committee of Potato Producers] has declared an emergency for national potato production due to the drop in real prices and a probable shortage in the second half of the year. In a document sent to the minister of agriculture, engineer Juan Carlos Hurtado Miller, CONAPAPA stated that "the deterioration of real prices for the current crop is ruining the producers." It also indicated that "the probable shortage of potatoes in the second half of the year will be due to the unprofitable production costs that have stopped the planting." CONAPAPA proposed that the minister "establish a shelter price for the current harvest on the sierra, urgently encourage potato planting with a guaranteed price and recommend to the government the immediate intervention of ENCI [National Enterprise for Industrial Marketing] or any other entity to purchase reserves." It also indicated that "after four consecutive days of deliberations, the potato specialists of the Ministry of Agriculture and CONAPAPA have technically agreed on production costs in the sierra and on the coast and decided on a shelter price on the sierra of 950 sols per kilo harvested but not packed." They also said that, to encourage planting, a guaranteed price of 14 cents per kilo of potatoes has been agreed on. [Text] [Lima EL COMERCIO in Spanish 27 Apr 85 p A-10] 7717

LIMA POLICE LACK VEHICLES--The minister of industry, tourism and integration, Alvaro Becerra, revealed on Thursday that Lima (with a population of more than 5 million) has only 12 operational patrol cars. However, GC [Civil Guard] sources indicated that the number is even lower now since there are some vehicles assigned to the JNE [National Election Jury], APRA [American Revolutionary Popular Alliance], Alan Garcia's house, etc. GC sources indicated that about 400 patrol cars have broken down and been abandoned at the commands, especially the 20th (Radio Patrol). They said that almost 30 patrol vehicles are permanently assigned to diplomatic headquarters, political houses, government men and police chiefs. This number increased after the last elections. According to them, the problem of the patrol cars is due to the budget shortage in the GC which means there is no money to buy parts. Minister Becerra himself said that at least 500 patrol cars were needed for Lima alone. He announced that this aspiration will become concrete in the coming weeks. [Excerpts] [Lima EL COMERCIO in Spanish 28 Apr 85 p A-11] 7717

CSO: 3348/649

TRINIDAD AND TOBAGO

DRUG DEALERS PREYING ON, RECRUITING YOUNG STUDENTS

Port-of-Spain SUNDAY EXPRESS in English 12 May 85 pp 1, 19

[Article by George Harvey]

[Excerpts]

THREE organised, illicit, drug-selling outfits are "turning on" secondary school students in the Port-of-Spain area, and students on the inside have been recruited as contact agents to entice class-mates into acquiring the drug habit.

An estimated average of some five per cent of junior secondary students in Port-of-Spain and environs use marijuana, and to deal with the problem the secondary school curriculum and the 14-plus social studies examination now incorporate the drug issue, and a comprehensive programme is being drawn up to tackle drug use and abuse in schools.

This information came from Steve Williams, area supervisor attached to the Central Guidance Unit of the Ministry of Education. He is the senior officer responsible for Port-of-Spain and environs of the CGU programme for students of Government-operated senior and junior secondary schools stretching from the Barataria/Malick area through the city and St. James into the Diego Martin district.

The scheme covers 14 secondary schools and a pilot project for primary schools in Belmont.

Williams said that from reports received and actual work done in the schools, it was clear that there was substantial drug use among students.

SEVERE PENALTIES

It was mainly confined to the community, he said, and the home, and they did not generally find students using drugs in the school compound. It was known that the students were on drugs but it was not easy to pin down students actually using or in possession of drugs in the school or school compound.

He explained that the non-presence of drugs on the school premises had to do with the restrictions and severe penalties (immediate suspension and possible expulsions) if any students is found with drugs at school.

"There are a lot of pushers in the vicinity of the so-called prestige schools. Real pushers. Simply because they know the students have money. You will find more pushers around there than at a junior secondary school where the students will generally have less money or less access to money."

The pushers outside the school do not confine themselves to marijuana, he said. They first introduce the youngsters to marijuana. Then comes the harder stuff.

A student told the guidance counsellor that in the beginning he

got the stuff free and was encouraged, to use it and get a "good head". So the student just thinks it is "an easy thing."

Sex is also involved. Williams recalled a female student explaining that in the beginning she got marijuana free and used it until they "began asking for money. She began enjoying "the high" and continued buying. When she did not have money she paid in the best way she could — "in kind". I am talking about a 16-year-old."

Reports from the junior secondary schools with about 920 students indicate that about five per cent are on drugs.

"You will find that in some suburban junior secondary schools, the youngsters in the main come from communities where they are constantly exposed to drugs.

"Some parents are pushers or there are, older brothers and sisters who are users, so they have a more gradual psychological acceptance of drug usage.

"They see it as a legal problem ...not as a medical or social problem. To them it is a matter of don't get

caught and everything is alright. So they enter the school system fairly knowledgeable about the use of marijuana. When they enter school, they have at least tried it once.

"If you go into a classroom and the kids are honest with you and you ask how many have tried marijuana, you will get about 10 to 15 per cent raising their hands. Usual response is I puffed it once... I coughed... did not like. So you will find, generally speaking, that they have had some experience.

Williams pointed out that in some communities smoking marijuana openly is normal and youngsters were exposed even before they reached their teenage, so they do not view it as something bad or wrong." He said the acceptance (if not participating) attitude is something carried over into the senior secondary school level.

The use of hard drugs and dealings is not as visible as marijuana," with contacts being set up at parties, bazaars and evening "limes" at the shopping malls."

CSO: 3298/678

URUGUAY

BROAD FRONT CITED AS MOSCOW'S 'ALTERNATE ROUTE' TO REGION

Buenos Aires LA PRENSA in Spanish 2 May 85 p 7

[Article by Alphonse Max: "The Conquest of South America Through Uruguay"]

[Text] Montevideo--While events in the Middle East, the Persian Gulf and Southeast Asia, as well as the Geneva Conference, the deployment of missiles in Western Europe, the assumption of power by Gorbachev in the Soviet Union, etc., are holding the attention of the United States, and its concern with Latin America is limited to Central America, or more accurately Nicaragua, the Soviets are silently advancing with their strategy in South America. Their short-term goal is three nations: Chile, Argentina and Uruguay. Their tactics are clearly differentiated. In Chile the violent path is becoming clear. The secretary general of the Communist Party, Luis Corvalan, announced it over Radio Moscow several weeks ago, and subsequent events have confirmed it. In Argentina the method is more subtle. The Trojan horse is bilateral trade and increased economic collaboration on all levels, as well as cultural penetration with its various epiphenomena. The tactic pursued by the Kremlin in Uruguay is more complex, because it involves not only more intensified trade exchange, but also a task which is (for the time being) clearly political, ranging from parliamentary confrontation in the capital to more routine agitation and propaganda throughout the entire country.

In this article we will limit ourselves to the case of Uruguay, where after the withdrawal of the military from the government, and perhaps even before that, the Communist Party, in addition to regaining the key posts it held before the 1973 military coup, has succeeded without much effort, as a result of the vacuum created, in adding a great deal ~~more to its control~~ Today the communists and their fellow travelers have more men in the Parliament than ever, as well as on the boards of the autonomous and decentralized state bodies and in the municipal governments. To this is added the strong and dominant presence of that party in education (from the primary to the university level), the trade unions, the theater and radio broadcasting. And all of this despite the fact that the Communist Party has not yet launched full-scale activity. So that the potential victims, that is the people, will not feel the blow, the famous "crushing of the bourgeoisie," when it happens, communist activity is divided. On the one hand we have the "traditional" apparatus of the party, and on the other, the Broad Front.

The Communist Party of Uruguay is headed by veteran "apparatchik" Rodney Arismendi, the only communist leader released by the military after a few months in prison, who returned from his long exile in Moscow with very precise instructions. The Broad Front, Moscow's alternative path for Uruguay, is headed by former general Liber Seregni, who was stripped of his rank by his colleagues and who spent 8 years in prison.

During the latter half of this year, the general went to Moscow for the official presentation of the Lenin Prize, which was awarded to him a couple of years ago. It is well-known to whom, for what and why Moscow awards this prize.

The Broad Front

In fact, for some time the general has been trying to persuade Uruguayans to believe that the Broad Front which he heads is not the same as the Communist Party because, he says, it is only one of the parts of a coalition of various parties and groups (more than a dozen, counting all the little groups, each with its own stamp and seal). He insists that the Broad Front represents a real government alternative, that it will without a doubt win power in future elections, and other things of this sort. What is regrettable is that he is perhaps not entirely mistaken. Let us consider: if the surrealistic fable according to which the Broad Front is not the same as the Communist Party is repeated like a refrain for 4 more years, with the very broad range of dialectics enriched by sophistry and subliminal propaganda tricks, one cannot exclude the possibility that the percentage of misled voters who succumb to the systematic distortion of reason manipulated from Moscow will increase considerably. Control might even be won, let us say, of the municipal government of Montevideo, which at many times has had more administrative power in Uruguay than the central government itself. If to this were added the possible seduction of certain politicians in the Blanco and Colorado parties by the phantasmagoric arguments of the Broad Front, to the point of becoming turncoats (something which has happened more than once in the past), it is obvious that no Uruguayan government, now or in the future, can ignore the Broad Front (for which read Communist Party). And this without taking into account the fact that the Front, being the decisive minority in the Parliament, might have the final word there.

It is therefore no accident that Liber Seregni was summoned to Moscow, where he was proclaimed a "true revolutionary" and was widely entertained, precisely at the time the new Uruguayan government was beginning its activity. This attention, along with other symptomatic occurrences, reflects the fact that at the present time, Moscow's path to the conquest of South America leads through Uruguay. The modus operandi will be political, at least in the beginning. The Communist Party is committed to other tasks of a tactical and strategic nature, and as a result the political aspect has been transferred to the Broad Front. In this way Moscow keeps its own cadres intact, protecting them against any reverse which might be suffered in this effort to win power in Uruguay, placing the burden on its fellow travelers instead. As always.

VENEZUELA

EVENTS LEADING TO ALVAREZ PAZ' RESIGNATION VIEWED

Caracas EL DIARIO DE CARACAS in Spanish 10 Apr 85 p 48

[Article by Orland Utrera and Usbaldo Arrieta]

[Text] A letter was circulated within the COPEI [Social Christian Party] yesterday. Its content had an impact: Oswaldo Alvarez Paz resigned from the national secretariat of the functional bodies in view of the circumstances created by the choice of the Venezuelan Teachers Federation (FVM) and Venezuelan Engineers College plank.

The letter was addressed to Eduardo Fernandez, the secretary general of the COPEI; to Godofredo Gonzalez, acting party president; and Enrique Perez Olivares, undersecretary general.

In that communication, Alvarez Paz reiterated his criticisms of the way in which the spokesmen for the COPEI planks were chosen. This was a matter within his jurisdiction as national secretary of the functional bodies, but it was resolved without obtaining his opinion or approval, making his post "decorative." This was the reason for his decision to resign from it, so that Fernandez can replace him with one of his leaders.

Alvaro Paz thus radicalized his opposition to the manner in which Fernandez has conducted the COPEI, an issue which many political observers place in the context of the disputes which have been arising within the COPEI for a number of months now, preceding the selection of candidates.

However, in connection with this latter aspect, Alvarez Paz himself attempted to give a different picture of the basis of the conflict. To this end, just yesterday, in a column he writes regularly for a morning newspaper with national circulation, he argued as follows in response to Sanin:

"I am neither crazy nor desperate to be a candidate, nor is this the motive underlying my actions. What is happening, my dear friend, is that I cannot resign myself to sit by passively while a system which has cost so many Venezuelans so much suffering deteriorates. I cannot resign myself to seeing the COPEI in the situation in which it is now. I believe that Venezuela needs a very firm path and direction. Ordinary Venezuelan citizens, including the

COPEI members, are looking for a great cause for which to struggle. The issue at stake is the building of a decent and prosperous Venezuela."

Independent of his statements about the candidacy issue, wherein his possible aspirations would clash with those of Eduardo Fernandez, what is certain is that Alvarez Paz is not resigned "to seeing the COPEI remain in its present situation."

The Objection Now

The clash has been clear, and has even become public knowledge, with regard to what has happened in the development of the Social Christian platform for the new board of officers of the Venezuelan Teachers Association.

Initially, Domingo Pinate, head of the Social Christian teachers' movement, officially endorsed the candidacy of Ismael Rodriguez to replace Carlos Andueza as head of the FVM. Andueza, desirous of winning reelection, had already waged a duel with Pinate himself in connection with the internal elections to choose the new board of directors for the teachers' movement within the COPEI.

Andueza reacted against the line pursued by Pinate and announced his candidacy for reelection. The schism within the COPEI teachers' group was obvious.

The position adopted by Andueza also clashed with the decision of Eduardo Fernandez himself to support Rodriguez as a candidate.

Finally, a unity plan embodied by Felix Luces, a leader with a long history in the ranks of the Social Christian teachers, was the choice made.

A similar situation has developed in the selection of the platform the COPEI should support in the election of the new board of directors at the College of Engineers.

According to the statements to be found in the letter of resignation by Alvarez Paz, his functions as secretary of the Social Christian functional bodies have become "decorative," because he was not consulted with regard to the decisions adopted.

Basic Contradiction

Apart from the above, or rather at the origin of all of it, is the situation which was raised with his party a month ago, beginning on Tuesday, 5 March, by Deputy Oswaldo Alvarez Paz.

On that day the Social Christian National Committee met in ordinary session. At the meeting, the report of the COPEI Honor Commission concerning the case involving Rodolfo Jose Cardenas was taken up. The judgment made, to the effect that no evidence was found to justify "morally discrediting Dr Cardenas" in connection with his activities pertaining to the construction of the Chuspa-Osma highway while he was serving as governor of the Federal District, was approved by the National Committee.

That report also argued as follows: "There arise, then, although it is painful to report it, some doubts about the impartiality of the legal bodies specifically entrusted with applying and interpreting the law, and in any case, lack of confidence concerning the handling and resolution of legal processes has developed. . . . Under such conditions, a militant against whom charges have been brought cannot be placed under the obligation to present himself for imprisonment and judgment under dishonest circumstances. This would mean demanding a heroic, martyred sacrifice which would make no sense, because in the final analysis there is no guarantee either of acquittal of the innocent or punishment of the guilty."

Oswaldo Alvarez Paz did not agree. He withheld his vote and a few days later, on Wednesday, 20 March, he argued his case publicly.

He presented journalists with a document in which he maintained that "to recover the lost credibility" of the COPEI, "political sanctions" must be institutionalized.

In another part of this statement, which created problems for Alvarez Paz as the days went by, he maintained: "...I cannot agree with the final decision of the Honor Commission supporting and justifying the failure of Comrade Cardenas to present himself in Venezuela and exempting him from the obligation set forth in item 3 of our norms, which would require that he appear. It seems to me extremely serious and dangerous in the highest degree that the National Committee of the COPEI would compromise its democratic credibility its principles and its convictions by supporting disobedience of the laws, and openly flouting legal orders. I believe that this is the most damaging decision, to the COPEI itself and to the institutional health of the republic, that this organization has made. And if it is a question of launching a struggle for the reform of the judiciary, Rodolfo could have been the most formidable tool in this struggle. All of this would be possible with Rodolfo here. While he is abroad, it is impossible. It all has the ring of concealment. . ."

Penalty

With these statements, an atmosphere was created in which the level of speculation began to rise in the following days. The National Committee of the COPEI might impose disciplinary measures on Oswaldo Alvarez Paz.

In fact, the National Committee met on Monday, 25 March in extraordinary session to analyze and decide upon the Alvarez Paz case. Several days earlier, Eduardo Fernandez told EL DIARIO DE CARACAS that "if the members of any party have the right to speak, it is those of the COPEI." But immediately afterward he warned that "one of the basic values in the history of the party has been discipline."

It was precisely at that meeting that a decision was made. The document on the subject initially endorsed "the doctrine to the effect that the internal affairs of our party should be discussed internally."

Subsequently it went on to say that "the National Committee has decided to reprimand Comrade Alvarez Paz harshly for having made public the text of his dissenting vote, which should have been included in the minutes of the pertinent National Committee meeting."

On that occasion, Alvarez Paz commented: "I accept the reprimand. This does not mean that I share their view."

In fact, he has demonstrated this. His resignation from the secretariat of the functional bodies of the COPEI falls within the context of this lack of agreement, despite the fact that he says today that the reprimand was not the reason for it. What is certain is that Oswaldo Alvarez did say: "I cannot resign myself to seeing the COPEI in the situation in which it now finds itself."

5157

CSO: 3348/621

VENEZUELA

MERCANALISIS POLL SHOWS APPROVAL OF LUSINCHI'S PERFORMANCE

Caracas EL DIARIO DE CARACAS in Spanish 15 Apr 85 p 4

[Text] After a year of the present government's administration, the percentage of people who think that President Jaime Lusinchi has done a good job is larger than the percentage of those who think he has done badly.

This information is revealed by the survey which the Mercanalisis enterprise has made in six of the main cities in the country, specifically Caracas, Maracaibo, Barquisimeto, Valencia, Maracay and Puerto La Cruz-Barcelona. This sampling, the first part of which was published in yesterday's edition of EL DIARIO DE CARACAS, was based on a thousand individuals over 18 years of age coming from socioeconomic categories in which the interviewer gave the various choices as "upper," "middle," "working" and "poor." Also, the political affiliation of those interviewed was established, offering Democratic Action (AD), COPEI [Social Christian Party] and MAS [Movement Toward Socialism] and other parties as choices.

As can be seen in the first chart, the positive judgments of the work done by the president generously exceed the negative responses, as well as the intermediary choice designated "normal."

This same chart shows the views of those interviewed concerning the work done by four ministers in the executive cabinet--Octavio Lepage, Manuel Azpurua, Arturo Hernandez Grisanti and Hector Hurtado. It was for the last-mentioned minister that there were the most unfavorable opinions concerning his actions, since the negative opinions exceeded the positive ones, although not by a great margin. However, this characteristic was reversed for the other three ministers.

Although those interviewed during the Mercanalisis survey were not asked to explain the reasons underlying their views, the percentage of those unfavorable to Minister Hurtado could have been because of his connection with the Cost, Price and Wage Commission (CONACOPRESA), a body which is unpopular because of the price increases allowed on products of various sorts, the data shown in the final part of this Mercanalisis survey indicate.

The opposite situation pertains to Ministers Lepage, Azpurua and Hernandez Grisanti, who are definitely respectively linked with the steps taken against

crime, the refinancing of the debt and the government oil policy, all of which may have achieved a certain acceptance in public opinion.

The Work of the President

The first chart shows that the terms by means of which a description of the work done by Jaime Lusinchi in government was obtained from those interviewed were "excellent," "good," "normal," "poor" and "very poor."

Because the descriptions "good" and "poor" are, if you will, more precise, these to will be used to summarize the percentages obtained in each of the areas where Mercanalis took the survey.

The proportions in the cities were as follows: 35 percent "good" and 6 percent "poor" in Caracas; 37 and 12 in Maracaibo; 33 and 10 in Barquisimeto; 32 and 9 in Valencia; 29 and 8 in Maracay; and 35 and 8 in Puerto La Cruz-Barcelona.

By sex, the views expressed by men were 36 percent "good" and 8 percent "poor." The percentages for the women were 32 and 8, respectively. In terms of age groups, 38 percent of those between 18 and 24 said "good" and 8 percent "poor." For the group between 25 and 34 the percentages were 37 and 8; for those between 35 and 44, 28 and 9; and for those over 45, 31 and 7.

Those in the socioeconomic level termed "upper" by Mercanalis, 40 percent answered "good" and 3 percent "bad." In the "middle" category, the figures were 37 and 6, among the "workers" 34 and 8, and in the "poor" category, 29 and 13.

In examining the views expressed in terms of political affiliation, the fact that for those mentioning parties other than the AD, specifically the COPEI and the MAS, despite the opposition role they play, positive views outweighed the negative ones.

In this connection, 49 percent of those affiliated with the AD answered "good" and 2 percent "poor," while the figures for the COPEI were 21 and 14; those for the MAS 25 and 8; and those for other parties 25 and 11.

Presidential Message

This survey was begun 3 days after President Lusinchi presented his report to the Congress of the Republic on the first year of his administration.

For this reason the following question was included: How interested were you in what the president said in his speech to the congress?

The answers, by category, were as follows: 11 percent said "very," 14 percent said "quite," 14 percent said "somewhat," 8 percent said "not very," 8 percent said "not at all," and 46 percent gave no answer.

It should be noted that the distribution of the 46 percent who gave no answer was as follows: 40 percent had not seen or heard him, 5 percent were not interested, and 1 percent did not know or did not say.

Among the individuals who said that they were very or quite interested in the speech (25 percent) the reasons given were that the president "plans to resolve the problems of the country" (10 percent), "he talked about reactivating the country's economy" (5 percent), "he was sincere and inspired confidence" (5 percent), "he spoke about refinancing the foreign debt" (3 percent), "he was encouraging and said that the farming and rural sector will improve" (1 percent), and "he talked about resolving unemployment and creating new jobs" (1 percent).

Among those who answered that the speech interested them very little or not at all (16 percent) the reasons given, among others, were that "he talks a great deal but does little, not as much as possible" (6 percent), "the speech was pure lies, not true" (4 percent), and "he said the same thing as always, and nothing concrete" (3 percent).

Ministers' Resignation

Another question included in the survey was: "Does it seem to you proper for all the ministers to resign every year or not?"

This question was due to the fact that, as will be remembered, just prior to the speech by the president to the congress, the executive cabinet resigned unanimously, in order, it was said, to make it easier for the chief of state to make such changes as he deems necessary.

The categories of answers to this question were "this seems proper" (36 percent), "sometimes yes and sometimes no" (12 percent), and "does not seem good" (50 percent). As can be seen, the opinions against the practice of collective resignation outweigh those in favor of it.

Cabinet Changes

In connection with the above, those interviewed were also asked to what extent they view the recent changes in ministerial appointments made by the president as desirable.

The question asked was as follows: "How do the recent ministerial changes made by the president seem to you?" The answers were: "very suitable" (30 percent), "suitable enough" (34 percent), and "not at all suitable" (30 percent). Of those interviewed, 7 percent had no opinion.

The second chart shows the total percentage for each answer distributed among the main cities in the country in which the Mercanalis survey was taken.

The distribution of each of the specific answers given in the categories of individuals covered by the survey was as follows:

Of the men, 33 percent said "very suitable," 39 percent said "suitable enough," and 24 percent said "not at all suitable." Of the women, 26 percent said "very suitable," 29 percent said "suitable enough," and 35 percent said "not at all suitable."

By age group, 30 percent of those between 18 and 24 said "very suitable," 41 percent said "suitable enough" and 25 percent said "not at all suitable." The respective figures for those between 25 and 34 years of age were 26, 37 and 30; for those 35 to 44 years of age, 27, 30 and 34; and for those over 45, 36, 25 and 32.

In terms of socioeconomic level, of those classified as "upper," 26 percent said "very suitable," 33 percent said "suitable enough" and 31 percent said "not at all suitable." The figures for those in the "middle" category were 23, 37 and 34; for "workers," 30, 36 and 28; for those in the "poor" category, 38, 27 and 26.

As can be seen on the basis of the above figures for the socioeconomic levels, the highest percentage in favor of the changes made in the cabinet was in the "poor" category, while the most unfavorable opinions were found in the "middle" category.

How Would You Describe the Work Done by the Various
Individuals in Government?

	<u>Jaime Lusinchi</u>	<u>Octavio Lepage</u>	<u>Manuel Azipurua</u>	<u>Hernandez Grisanti</u>	<u>Hector Hurtado</u>
Excellent	12	7	6	4	1
Good	34	29	27	26	17
Normal	40	4	39	40	41
Poor	8	9	7	6	13
Very poor	5	5	3	3	3
Don't know or no answer	1	8	18	21	22

How Do the Ministerial Changes Recently Made by the President Seem to You?

	<u>Total</u>	<u>Caracas</u>	<u>Maracaibo</u>	<u>Barquisimeto</u>	<u>Valencia</u>	<u>Maracay</u>	<u>Barcelona</u>
Base:	1000	400	190	108	122	102	78
Very suitable	30	29	34	22	34	25	33
Suitable enough	34	34	29	45	33	29	37
Not at all suitable	30	30	28	27	28	37	26
Don't know	7	7	8	6	6	9	4

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CSO: 3348/619

VENEZUELA

HILARION CARDOZO TO SUCCEED ALVAREZ PAZ

Caracas EL NACIONAL in Spanish 18 Apr 85 p D-2

[Article by Mario Villegas]

[Text] Hilarion Cardozo took over as coordinator of the functional bodies of the COPEI yesterday. He was appointed to the post on Tuesday by the National Committee of the Social Christian Party to replace Oswaldo Alvarez Paz, whose resignation was accepted by the leadership of the COPEI.

This is a new commitment and a new challenge for Cardozo. He is gratified to have been unanimously chosen for this position.

"I have been unanimously chosen for all of the functions I have assumed within the COPEI for the past 25 years," he was pleased to say.

He indicated that within the National Committee, there was not even any discussion of his nomination, since he had the approval of all of the members of that body, even meriting applause.

Cardozo is currently vice president of the COPEI and first vice president of the Senate of the Republic. He is also secretary general of the Christian Democratic Organization of America.

"I accepted this new post at the very special request of former president Rafael Caldera and Secretary General Eduardo Fernandez. This is also a way of being consistent in my friendship with Oswaldo."

The senator and political leader from Zulia takes over coordination of the functional bodies of the COPEI at a time when the Social Christian body is experiencing an unusual internal situation. Cardozo wants to make it clear that he is removed from the internal controversy.

"My main task currently is to keep my voice that of all the party. I have removed myself from the controversy because I want my words to be those of the COPEI. It is thus with this intention that I come to my new post. I have not found a climate of conflict between Eduardo Fernandez and Oswaldo Alvarez Paz here, as was reported. The fact is that I feel committed and obliged to pursue all the work necessary to collaborate with the functional bodies to

strengthen their work, so that they in turn can strengthen the activity of the party."

Only Formal Differences

When he was asked if he is prepared to pursue firm action against administrative corruption, along the same lines as his predecessor, Cardozo immediately made it clear that the departure of Alvarez Paz from the post had nothing to do with the heart of the problem of his explanation of his refusal to vote. "He resigned from his post for totally different reasons having to do with circumstances actually inherent in the coordination of the functional bodies," he said.

In any case, he made a statement concerning the conduct of the COPEI with regard to the problem of administrative corruption.

"Within the COPEI," he gave assurance, "there is a clear and firm determination to wage an effective struggle against corruption, and there is no disagreement at all between Oswaldo Alvarez Paz and the rest of the National Committee concerning the substantial aspects of the struggle against corruption. The differences which have developed have to do with the form and methods in the battle against corruption, rather than its basic nature."

Opposition

In analyzing the governmental administration thus far in President Jaime Lusinchí's term of office, the Social Christian senator noted that the government talked a great deal during the electoral campaign but is not in a position to resolve the problem. He believes that the government team tends to conceal the lack of deeds with vague references and phrases, and that it has not as yet begun to keep its promises. "All of the problems it has faced have become more acute, what was normal has deteriorated and what was good is beginning to suffer," he said.

Through a number of its highest leaders, the COPEI has announced that it will launch a stage of more profound and radical opposition.

Cardozo was asked what contribution he will make from the position to which he has been appointed to this line of radical opposition.

"I do not like to use adjectives" he responded. "The opposition is the opposition. The intensity, methods and timeliness of its plans are determined by political circumstances and events. I believe that the roles are clearly defined now. The role of the government party is to stress the good things the government has done, while the role of the opposition is to criticize the poor aspects of administration. What is indeed an objective fact is that our criticism and opposition are based on what we regard as the truth of various matters, and we do not utilize lies."

Cardozo did indeed refer to some negative aspects of government. He especially emphasized the activities of the National Cost, Price and Wage Commission, which he accused of focusing solely on increasing prices. For

this reason it should be called the CONAPRE instead of the CONACOPRESA, unless the 'presa' is taken to mean the imprisonment and asphyxiation of wages. This commission is ineffective and undesirable," he said. Cardoso will work in his office at the national premises of the COPEI on Monday, Tuesday and Wednesday mornings in his new capacity as coordinator of the functional bodies of the green party.

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CSO: 3348/622

12 June 1985

VENEZUELA

ARISTIDES MAZA TIRADO ELECTED PRESIDENT OF CONSECOMERCIO

Caracas EL NACIONAL in Spanish 21 Apr 85 p D-6

[Text] Dr Aristides Maza Tirado, a Guyana business leader, was unanimously elected president of the Council of Commerce and Services (CONSECOMERCIO), along with the Executive Committee and the rest of the members of the Board of Directors, at the final plenary session yesterday evening.

Dr Maza Tirado, who was already the virtual consensus choice, was merely confirmed at yesterday's session. With him on the Executive Committee are Mr Roger Boulton, first vice president; Oscar Shooli, second vice president; Dr Edgar Romero Nava, treasurer, and Paul de Vladar, secretary, along with 27 directors representing the country's various Chambers of Commerce: Roger Giulano, Francisco Sanz, Carlos Ball, Jancito Marin, Jose Quintino Abreu, Eloy Sardinias, Vito Miaglia, Luis Duarte, Antonio Fernandez, Enrique Boccardo, Rene Vargas, Carmen Hurtado, Alma de Beck, Magdalena D'Marco, Manuel Loza, Alfredo Pereira, Antonio Salvioli, Juan Cruz Rey, Oscar Alvarez, Aleman Aboude, Nino Petroni, Francisco Gonzalez, Luis Marturet, Grimaldo Castillo, Alberto Hassan, Ruben Diaz Viana and Bernardo Gonzalez.

Closing Ceremony

In contrast to the opening ceremony, only two speakers were scheduled: the governor of Bolivar State, Edgar Valles, and the president-elect, Dr Aristides Maza Tirado, who said:

"Today marks the close of our 15th Annual Assembly, where we businessmen have once again discussed, reflected on and analyzed issues that transcend our sector and touch the interests of the entire Venezuelan nation. And we have concluded this assembly by exercising that finest of rights: the right to vote."

He then emphasized how proud he was to have been freely and democratically elected to coordinate the activities that the CONSECOMERCIO Executive Committee will be taking up forthwith. He gave assurances that he would continue the policies charted by the organization's rank-and-file and leaders and that CONSECOMERCIO would pursue its concerned efforts to resolve the problems plaguing the country with the solutions it deems best for the population at large.

He then commented on the crisis besetting the country, voicing the view that it is neither exclusively structural nor cyclical but rather has elements of both.

"I am one of those who believe that we have extraordinary potential, and not just to meet our basic, short-term needs as a nation; we are also in a superb position to have a highly developed country by the year 2000. That is just 15 years away. We must acknowledge that our shortcomings are our own fault, especially those of us in leadership positions. We must make changes in the economy to make headway in development. Now is not the time to define what development model Venezuela requires, but we ought to offer some suggestions and say what is not advisable. For example, State capitalism must be banished once and for all from our society because of its monopolistic effects, among other things.

"But government monopoly is not the only threat to society. Private monopoly eventually is just as disastrous as government monopoly, because it too runs counter to the same principles of economic freedom and promotion of private enterprise. Private monopolies lead unavoidably to a denial of the laws of the marketplace.

"Venezuela is on a razor's edge. The slightest mistake could seriously compromise the nation's future, and therefore we must cautiously monitor the evolution of our troubled economic situation. As long as oil was generating copious funds for the government, it was able to strengthen its monopolistic tentacles and, moreover, distribute sizable amounts of money in populist fashion, especially to new economic sectors, many of them former politicians who have now become prosperous businessmen. But now that the flow of funds has diminished, this trend could lead us to an equally dangerous situation, monopoly, because many small and medium-sized firms are in trouble and could be taken over by larger companies. We must react to this trend strongly and clearly. It is by no means my intention to deny the principles of democratic capitalism, but we cannot remain indifferent to that which is at odds with the laws of the marketplace, at odds with economic freedom, at odds with free competition, at odds with all of us, including those of us gathered here today."

The new CONSECOMERCIO president went on to say:

"Venezuelan businessmen must latch on to an economic theory, a philosophy and an ethics that will enable them to work with an esprit de corps towards a definitive takeoff. Many people admire almost incredulously how Japan in just two decades has emerged as the world's number two economic power. But have we looked into the reasons for its success? How have the Japanese managed to penetrate the solid barriers that the traditional Western powers have erected on the international market?

"Japan has three very useful things to teach Venezuela. First, that a nation without a tradition of involvement on the world market can compete head-on with the big boys. Second, that the government does play a major role in making a country an economic power, but not by monopolizing the means of production and restricting the market but instead by strongly promoting private enterprise, by seeing to it that a development model based on economic democracy functions normally, by preventing the emergence of monopolies at all costs, by fostering healthy, fair competition and by establishing clear-cut and stable ground rules. The third lesson Japan can teach us has to do with what I talked about just a few minutes ago: economic theory, philosophy, ethics.

"Venezuela has to do something very soon, unless we want to see ourselves on the list of the neediest countries on the planet. The issue is not more or less capital investment or even a stable monetary policy. Our problems go far beyond the short-term. They have to do with constructing a specific, long-range, consistent development model based on democratic principles, including the acquisition of our own technology, geared to our realities and our needs. In short, we are talking about building a new, a different country.

"Can these goals be achieved? Yes they can. I say this without the slightest hesitation. Venezuela is a young country in which the shortcomings typical of the countries that show economic stagnation have not become widespread yet. Our production machine does, of course, suffer from certain defects, some of them serious. How many businessmen who call themselves capitalists, who complain loudly about government meddling, turn all the time to that same government for help in overcoming the difficulties created by their own dubious managerial capacities?

"We could spend a long time listing the defects that are entrenched in the private sector of our economy. We are not embarrassed to acknowledge this; we do so responsibly and frankly. Unlike other institutions, we businessmen are aware that our worst enemies live among us. Our point, though, is that through the fault of these fourth-rate capitalists, the great majority of whom are, of course, from that flood of makeshift, oil-boom businessmen, the blame has gone to Venezuelan businessmen in general, most of whom by far I would not hesitate to describe as honest, enterprising and possessed of a great adaptability to change and of a sense of social justice."

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CSO: 3348/639

VENEZUELA

PLANNING MINISTER REJECTS CRITICISM OF CTV PRESIDENT

Caracas EL UNIVERSAL in Spanish 2 May 85 p 2-1

[Interview with CORDIPLAN Minister Leopoldo Carnevalli by Bernardo Fischer; date, time and place not given]

[Text] Leopoldo Carnevalli, minister of the Office of Coordination and Planning (CORDIPLAN), admitted that the working class is paying a large share of the cost of the crisis.

Carnevalli analyzed the statements made by the president of the Confederation of Venezuelan Workers (CTV), Juan Jose Delpino. Delpino severely criticized the economic measures applied by the current administration, describing them as "devastating."

Carnevalli explained that, in his opinion, the measures are not as bad as Delpino described them, but he feels that the Executive is aware of the widespread discontent with many of these economic adjustment measures.

"For this reason, from the beginning we passed a series of compensatory decrees that provided for benefits such as the industrial cafeterias, the transportation bonus, and the 10 percent increase in payrolls, and the minimum wage of urban and rural workers has been raised. Moreover, we are implementing the additional investment plan, which is designed to increase employment by at least 100,000 new jobs, among other goals."

Carnevalli claimed that employment is not just a social problem, but also an economic one, since the high number of jobless workers keeps demand down and thus maintains the recession in the national productive apparatus.

He noted that workers should recall that this crisis has lasted for several years, and this administration has had to bear the brunt of it; in other words, it has had to make the adjustments necessary to shore up the economy and achieve sustained growth.

"Now it is important to analyze one of the factors that have hit the workers hardest: inflation. The government is making an effort to carry out price adjustments that are derived exclusively from the currency devaluation. The behavior of prices in the first half of the year shows that there is no

inflationary spiral, only the changes made necessary by the exchange situation. Naturally, the workers are suffering the most, and are the most defenseless because their income is fixed. But we are doing what we can to prevent speculative activities."

[Question] Will the government study any collective wage adjustment measure if an inflationary spiral does take place?

[Answer] No. We do not intend to tie wages to the inflation indices. The experience that Southern Cone countries have had with indexing indicates that instead of alleviating the situation, it accelerates the deterioration of the workers' wages.

Carnevalli explained that Venezuela's key objectives at this time are to revitalize the economy and cut the high level of unemployment. In this regard, he noted that 200,000 additional workers have joined the labor force since the administration inherited the mass of unemployed workers when it took office.

For this reason, CORDIPLAN estimates that the government will be forced to take far-reaching measures to promote the economic recovery, because it would be irresponsible to postpone the crisis until the future.

Investment Plan to Be Approved Next Month

Carnevalli expressed hope that the additional investment plan will be in place by next month. All necessary steps are being taken to make available the 6 billion bolivars that will be used after the 2-year treasury bills are issued.

[Question] Will there be enough funds to pay off these new debts?

[Answer] There is confusion about the revenues for the plan and the allocations of the national budget. We have provided for sufficient revenues in the 1985 budget so that it can develop without a hitch.

In the case of the investment plan, the legal reserve requirement will be the source of revenues. This mechanism is provided for in the Public Credit Act and the Central Bank of Venezuela Act. Thus, idle resources can be utilized without the need for the state to pay any financial surcharge.

Carnevalli explained that the redemption of the treasury bills in 1987 will be progressive, because the terms are variable. The government has 1 year to utilize this resource, enabling it to absorb up to 33 percent of the legal reserve deposited in the Central Bank of Venezuela (BCV).

[Question] Dr Arturo Uslar Pietri, however, questions the way the liquid assets deposited in the BCV are being used.

[Answer] I think there may be some misinformation about the mechanisms that are being used in the BCV (responded Carnevalli, who is also a member of the BCV Board of Directors). Dr Uslar Pietri was referring to the BCV that began in 1939, when an institution of this kind could not intervene in transactions

on the open market and was not a tool in the development of the Executive's monetary policies. That institution may have been a good organization, but it was never a central bank.

8926

CSO: 3348/665

12 June 1985

VENEZUELA

OSWALDO ALVAREZ PAZ RESIGNS FROM COPEI POST

Disagreement With National Committee

Caracas EL UNIVERSAL in Spanish 10 Apr 85 p 1-1

[Text] Dr Oswaldo Alvarez Paz officially resigned yesterday as coordinator of the functional bodies of the COPEI [Social Christian Party], because of his disagreement with some of the decisions made by the National Committee controlled by Eduardo Fernandez.

The functional bodies of the COPEI are the Women's Front, Workers' Front, Magisterial Front, Revolutionary Youth, Agrarian Movement and Vocational and Technical Secretariat.

The resignation of Alvarez Paz from his post as coordinator of these organizations exacerbates the differences which have developed in the Caldera supporters' faction, in which Alvarez Paz and Fernandez are at odds.

The resignation represents the first reaction evidenced by Alvarez Paz since he was publicly reprimanded for publishing a document in which he questioned the decisions made by the Honor Commission and the National Committee concerning Rodolfo Jose Cardenas, former governor of the Federal District, who was charged with the commission of serious fraud against the nation.

Alvarez Paz will remain first voting member of the National Committee. The terms of his resignation from his important party post are set forth in a letter he sent to Dr Enrique Perez Olivares, acting secretary general of the COPEI in the absence of Eduardo Fernandez, who is abroad.

Paz Reiterates Support for Caldera

Caracas EL UNIVERSAL in Spanish 11 Apr 85 p 1-14

[Article by Alirio Bolivar]

[Text] Dr Oswaldo Alvarez Paz does not exclude the possibility that his differences with the secretary general of the COPEI may become deeper. "But

if there is something which unites us it is love, affection and support of the leadership of Rafael Caldera," he said during a television program.

The Social Christian leader refused to explain to the journalists waiting outside his office in the premises of the Foreign Policy Commission of the Chamber of Deputies why he resigned from his position as coordinator of the functional bodies of the COPEI.

Alvarez Paz said that the reasons underlying his resignation from this important party post were set forth in the letter he delivered to the president of the COPEI, Godofredo Gonzalez, and the acting secretary general, Enrique Perez Olivares. "Ask them about the contents of the letter," he told reporters. He would not agree to make any other commentary, despite journalists' insistence, as he left his office for Venezuelan Television, where he lunched with commentator Orlando Urdaneta.

This television personality used all his persuasive talents but could not get the leader from Zulia to say anything about the decision adopted this week. Alvarez Paz doubtless fears that another penalty might be imposed by the national leadership of the COPEI, which publicly reprimanded him for revealing the contents of a document in which he explained his refusal to vote on the case involving former governor Rodolfo Jose Cardenas, who was charged with serious fraud against the nation.

Opinions concerning administrative corruption and his differences with Eduardo Fernandez have kept Alvarez Paz on the crest of the popularity wave, but his questioning of the decisions of the Honor Commission and the way in which the secretary general is guiding the party may cost him a high political price, and it may be for this reason that the leader has become more cautious.

Within the COPEI, a movement of leaders asking for harsh penalties against Alvarez Paz is taking shape. Among other things, they claim that the party has not recovered from the trauma caused by two crushing electoral defeats, and that it should direct its energies toward the recovery of the confidence of the Venezuelan voters who have put it in power twice. The challenges raised by Alvarez Paz do nothing but work to the advantage of its main adversary, the Democratic Action movement, which if it is not seeking the destruction of the Venezuelan Christian Democratic movement, does benefit from its deterioration.

In view of the present situation of the COPEI, the need for a meeting between former presidents Luis Herrera Campins and Rafael Caldera so that they can take charge of the party is growing, and a notable group of leaders is working toward this end. Caldera is avoiding any contact with representatives of the media and Luis Herrera is refusing to comment on internal matters. The situation is serious, but not insuperable in a party as stable as the COPEI.

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CSO: 3348/622

VENEZUELA

COPEI NOMINATION FOR 1988 PRESIDENTIAL ELECTION ANALYZED

Caracas EL NACIONAL in Spanish 13 Apr 85 p D-8

[Article by Mario Villegas]

[Text] It is not yet clear whether former president Rafael Caldera will again opt for presidential candidacy within the COPEI [Social Christian Party], nor whether the secretary general of the party, Eduardo Fernandez, will compete with the founding leader for the candidacy.

There are those who think that Fernandez will have his sole opportunity in the 1988 elections, and that independent of what Caldera's decision proves to be, he will keep up his hopes to the end and challenge the former president if necessary. The ideologues of this thesis justify it by the more or less firm control which Fernandez has gained over the party structure, which, in the judgment of the most optimistic of his followers, would guarantee them that any competitor, including Caldera himself, would be defeated.

But the majority of those who support the Fernandez option express confidence that he would not in any case challenge the former president. As a result, if Caldera should decide to be a candidate, the secretary general of the COPEI would withdraw in his favor, at least according to the opinion stated by "Eduardo" supporters publicly. However, Fernandez and his people are confident that on this occasion, Caldera will not seek election.

Eduardo Fernandez has for several years been engaging in very intensive political activity, which led to his election in 1979 as secretary general of the COPEI, a post to which he was reelected in 1984 by a very broad majority. On the first occasion, he replaced Pedro Pablo Aguilar in the political command of the party, and in the second instance, he imposed a crushing defeat on Felipe Montilla.

According to the statements of those sponsoring his candidacy, Fernandez has won the firm support of all of the regional committees in the 24 Social Christian sections. However, it is said, no official public announcement of this was made because of the prohibition imposed by the National Committee on the subject of the candidacy, and also pending Caldera's decision. The "Eduardo" faction believes that if Caldera does not want to be a candidate, they could count on the support of all of the members of the National Committee, with the exception of Oswaldo Alvarez Paz, Pedro Pablo Aguilar,

Donald Ramirez, Felipe Montilla and Luis Betancourt. They are not certain what position Luis Herrera would adopt.

The New Versus the Old Venezuela

According to the "Eduardo" faction, the central plan for the Fernandez candidacy is oriented toward updating the COPEI political platforms through the holding of the Social Christian Ideological Congress in the coming year, such that its resolutions can provide the updated ideological platform for the COPEI.

According to the strategy planned, Fernandez would run as the advocate of a new Venezuela as compared to the old one, which the "Eduardo" faction says would be embodied by the candidacy of Carlos Andres Perez, who, they are already quite certain, will receive the AD [Democratic Action] nomination.

They argue that Fernandez represents this new Venezuela not only in terms of his age, but also "because of his ability to attract into political activity vast sectors of the population which have not participated to date due to excessive political sectarianism and the inflated role the parties have played in Venezuela's social life." In his travels through the interior, the secretary general and aspiring candidate will seek to make contact with the leaders of all the social sectors (trade unions, businessmen, community leaders and professional associations, among others) such as to establish personal links which will enable him to win and consolidate leadership of these social forces.

Fernandez would base his campaign on the fact that Venezuela has lost great opportunities under these last three governments, and that a new plan for economic development and state activity is needed, based on confidence in the citizens, with each Venezuelan feeling that he will have a stake in the decisions which affect him, rather than limiting himself to merely voting every 5 years.

Party Control

The control Fernandez has today over the party structure is a fact which even his opponents admit. The organizational apparatus works in favor of the secretary general's aspirations.

According to those promoting his candidacy, Fernandez already has the support of the leaders in the most important posts within the party. The "Eduardo" faction asserts that its proposed candidate has the support of Enrique Perez Olivares, undersecretary general for political affairs; Jose Curiel, undersecretary general for administrative affairs; Leonardo Ferrer, president of the Chamber of Deputies; Gustavo Tarre Briceno, assistant director of the parliamentary faction; Ildemaro Martinez, national coordinator of organization and operation; Maximo Jubarra, organization secretary; Nelson Cumare, electoral control secretary; Rafael Salvatierra, national coordinator of methods and strategy; Guillermo Yopez Boscan, training secretary; Freddy Delgado Dalo, regional body coordinator; Gustavo Mendoza, farm secretary; Milagros de Gonzalez, women's secretary; Jose Miguel Uzcategui, vocational and

technical secretary; Dagoberto Gonzalez, general secretary of the COPEI Workers Front; and Domingo Pinate, secretary for the magistracy.

The Fernandez supporters are absolutely convinced that in the end, Abdon Vivas Teran, who also aspires to be a candidate, will withdraw in favor of Eduardo Fernandez in an effort to crush Oswaldo Alvarez Paz, whom Vivas Teran sees as his most dangerous future competitor. The national youth secretary, Cesar Perez Vivas, one of Vivas Teran's men, would also yield to the Fernandez candidacy.

The "Eduardo" supporters also say that the proposed candidacy of the Social Christian secretary general has the support of 22 of the 34 regional secretaries general: Edgar Benarroch (Aragua); Carlos Guevara Leon (Anzoategui); Ismael Colmenares (Apure); Inocencio Barboza (Barinas); Angel Callejas (Bolívar); Jesus Ganem Martinez (Carabobo); Jose Dolores "The Russian" Martinez (Cojedes); Aldo Cermeno (Falcon); Andres Scott (Guarico); Miguel Diaz (Lara); Adolfo Melchert (Merida); Evencio Gonzalez (Miranda); Pedro Cardier (Monagas); Jesus Noriega (Nueva Esparta); Jose Candelario Casu (Portuguesa); Rafael Alvarez (Sucre); Francisco Fernandez Galan (Trujillo); Ramon Planas (Yaracuy); Elias Lopez (Libertador Department); Cefora Contreras (Vargas Department); Fernando Giron (Amazon Territory); and Alejandro Sequea (Delta Amacuro Territory). Of these regional general secretaries, 17 are under 40 years of age.

Silvestre Manzanilla, the secretary general of the COPEI in Zulia, is in principle in favor of the candidacy of his countryman, Oswaldo Alvarez Paz, and Edgar Flores, secretary general in Tachira, supports Pedro Pablo Aguilar.

No Disloyalty to Caldera

The promoters of the Fernandez scheme have repeatedly made it clear that he would not compete with Caldera if the founding leader should decide to make himself available as a candidate.

They say that the present secretary general was the protege of Caldera, whom they regard as his political father.

"You can be sure that there will be no parricide in the COPEI," a high-ranking COPEI leader working for the candidacy of Fernandez told us.

It may be that there will be no parricide. But there might be filicide if Caldera finally decides to represent the COPEI banner personally in the 1988 presidential elections.

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CSO: 3348/621

VENEZUELA

CALDERA ON THREAT TO DEMOCRACY, COPEI REORGANIZATION

Caracas EL DIARIO DE CARACAS in Spanish 15 Apr 85 p 16

[Article by Ross Mary Gonzatti]

[Text] In his closing speech at the Social Christian Conference at the University of Latin American Workers (UTAL), former President Rafael Caldera underscored the need to reorganize the rank-and-file committees and professional and technical bodies, winning over independents, and a stronger, more systematic opposition.

The party's 24 sections, the National Committee and the 6 operational bodies spent 3 days analyzing and discussing party activities, in particular the sort of opposition politics it should engage in. The gathering represented the first politicoadministrative stock-taking that the party has done since it has been out of power.

About 300 COPEI leaders, including presidents and secretaries general of the various sections, attended the conference.

In his closing address, COPEI's number one man broached three main points. He reiterated his belief that there is a malevolent conspiracy against democracy, talked about the responsibilities that the party must take on and, lastly, commented on what COPEI must do to return to power.

In his more than half-hour speech Caldera harshly criticized the COPEI members who hold government posts but do not support their party financially. He also disapproved of how little publicity COPEI is giving to its ideas, which suggests that "COPEI is not doing its job as the opposition." He scored President Jaime Lusinchi's trip to the United States and indicated that although the party's congressional bloc is doing its part, it has to try even harder. It was a speech in which no one was left out.

The Conspiracy

The former president again said that there was a malevolent conspiracy afoot trying to make people believe that democracy is the cause of

all our ills and that dictatorships were more efficient, more reliable and less corrupt.

He repeated what he had said a few hours before about the people behind this conspiracy: "various groups and factors," though he declined to specify, adding that these people are trying to create an atmosphere conducive to a dictatorship.

According to the polls, he indicated, 20 percent of the people would prefer a military government. Although this is not an alarming figure, it is "worrisome."

Among the groups involved in the conspiracy he also mentioned those people who are "legitimately dissatisfied," the people who in the face of a public services crisis, inefficiency and other factors, "tend to blame democracy unthinkingly."

Lastly, this conspiracy "also reflects many frustrations" on the part of people who have not won wideranging support even though we have a pluralist democracy or who have not had a desire to serve and build a great party and are thus giving vent to their frustrations and putting the blame on others and on democracy.

"The fact is that the problem exists, and the best way we can serve our country is by cleaning up the system's image " Caldera stated.

Internal Reorganization

The COPEI leader went on to say that he hoped the resolutions passed at the working meetings would be put into effect.

He proposed that COPEI reorganize mainly its rank-and-file committees and its professional and technical bodies.

Referring specifically to the rank-and-file committees, he indicated that they must become productive organizations and major elements in carrying on a dialogue with the people.

The COPEI audience applauded Caldera's suggestion that when a party leader makes a swing through the interior of the country, he ought to visit two or three working class neighborhoods in addition to the party section.

"The task of reorganizing these two work centers cannot be postponed."

He then talked about COPEI's defeat at the polls in December 1983. An in-depth analysis has not yet been conducted, he said, and "must be done in every state, in every district and in every municipality."

The purpose of such an analysis is "to correct mistakes, not to pillory anyone," because there were places where party activists did not respond as expected, where although victory was not anticipated, the party expected to do better than it actually did.

"There were states, districts and municipalities in which there is no justification for not having done better."

He reiterated how important it was for COPEI to approach independents. In a brief analysis he noted that independents feel that parties appeal to them only to up their vote total, while party activists see them as people who make overtures only when slates of candidates are being put together.

He said that these notions should be combated so that independents feel they have rights and responsibilities and so that party activists gain a different impression of independents.

The next item in his speech was party finances. "I realize that the party has to appeal for aid and receive help. But its strength lies in its own finances, which are derived from its members."

The former president indicated that COPEI members who hold public office and who do not make financial contributions, as the party demands, should be brought before the disciplinary tribunal. Once again Caldera's words were applauded.

"Senators and deputies should not be the only ones to pay their dues," he said, citing the past example of many high-level officials who "who were too stingy to help the party out." His idea is that these individuals should remain "friends" of the party or become independents but should not continue to belong to COPEI's ranks.

His next words of criticism were directed at the orthodox ideologues or idealists, who put the theories of Jacques Maritain, Teilhard de Chardin and Mounier first at all times. "We are a political party that is based on ideals but that also has a duty to serve the people. We are not an atheneum, an academy..." In this regard he proposed that training not be limited to literature.

His next point: the opposition politics that COPEI is or, in the view of many, is not engaging in. "We have to put together a coordinated, systematic effort," he said, indicating that the party's ideas are welcomed but not publicized enough. As an example he cited the document that Jose Miguel Uzcategui drafted on the administration's 1st year in office. After praising it, he noted that if AD had written it, its people would have talked it up until they were blue in the face, something that COPEI activists have not done.

His final words of criticism were directed against Lusinchi's trip, because "he did not tell the country" in advance about his stay in Boston, and people feel that they are being lied to. He added that he did not understand the purpose of the trip, because "the bankers are supposed to come here when the president calls them," not vice versa.

Caldera concluded his speech by appealing for more direct contact with the people, to whom the party should give "a bank of ideas." "The ideas do not have to be original, but the way of explaining them does."

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CSO: 3348/639

VENEZUELA

COPEI PRESIDENT DENOUNCES REJECTION OF NATIONAL ACCORD

Caracas EL NACIONAL in Spanish 16 Apr 85 p D-12

[Article by Mario Villegas]

[Text] The president of the COPEI [Social Christian Party], Godofredo Gonzalez, believes that President Jaime Lusinchi's government has rejected the Social Christian proposal for national agreement, such that the main opposition party can regard itself as not bound by any commitment it may have made and thus absolutely free to formula its criticisms of the government's administration.

Gonzalez has reached the conclusion that his comrade Rafael Andres Montes de Oca, who was under a serious threat of a disciplinary penalty, was right when he expressed the view that the national government would not take the urgings of the COPEI into account.

The president of the COPEI reached this conclusion 3 months after the National Committee of his party formally presented President Lusinchi with the body of suggestions which was the foundation of the proposed national accord.

Desirable and Necessary

Yesterday, Gonzalez made it clear that the COPEI continues to believe in the desirability and necessity for the national accord, noting that by this it means an agreement among the large sectors in the country, particularly its two main parties, with a view to facing up to and resolving the basic problems which outweigh party interests and even those of the present government.

He stressed, for example, the desirability of joint action in the oil sector and on foreign policy, among other matters.

He commented that the proposal of the COPEI was accepted by the government in an attitude of seeming sympathy and receptiveness. At that time, the executive branch established the International Oil Policy Advisory Commission, with the participation of the former ministers of energy and mines, the Social Christians included. "But regrettably," he said, "that is as far as the action of the government in connection with this national agreement has gone."

COPEI in the Dark

With regard to foreign policy, Gonzalez said the following:

"I can inform the country that the only way the COPEI has been able to learn about the talks the government has had with the United Nations mediator, Diego Cordoves, in connection with Venezuela's Esequibo claim, has been from reports in the newspapers and the public statements by government spokesmen."

He said that there has not been any official information on the recent talks President Lusinchi has had with the creditor banks with regard to refinancing the debt, either. "The president made a trip to the United States recently without making it very clear to the nation what the purpose of his trip was, and for this reason the rumor that he was ill circulated," he said.

"The COPEI still does not know why the president went to the United States, and to an even lesser extent is it aware of what was discussed with the creditor banks or the conclusions reached," he stressed.

Official Rejection of the Agreement

In analyzing the attitude of the government sector toward the Social Christian proposal, the president of the COPEI said the following:

"I must conclude that the government has at least tacitly rejected the proposal for a national agreement which we set before it. And I think that because of this circumstance, the COPEI is released from any agreements it may have contracted with regard to a national accord. As a consequence the COPEI regards itself as absolutely free to formulate criticisms of the government."

We asked if "Pepi" Montes de Oca could be said to have been right in stating that the national accord would be nothing but a pleasant game of dominoes.

"He was right when he said that the government would not take the COPEI plan into account," Gonzalez responded. "But the COPEI was obviously carrying out a duty in setting forth its plan. The government did not go beyond the courtesy of a smiling reception of us, while on the other hand it tossed our proposal into the wastebasket."

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CSO: 3348/621

VENEZUELA

PDVSA'S CASH FLOW DROPS TO 16 BILLION BOLIVARS

Caracas EL DIARIO DE CARACAS in Spanish 15 Apr 85 p 28

[Article by Jose Suarez Nunez]

[Text] The cash flow of Venezuelan Petroleum, Inc. (PDVSA), which had totaled 24 billion bolivars, declined to 16 billion bolivars last week. The drop was due to the disbursements made to pay the income tax for the first quarter of this year.

This will make it rather difficult to fulfill the Petroleum Chamber's request that a special investment plan involving up to 8 billion bolivars be implemented to revitalize oil projects that were delayed in 1983 due to cash flow problems in the oil industry.

It was also reported that the PDVSA Board of Directors and the operating firms have been revising a few projects that are still considered important even though they were postponed in 1983 because they were not given top priority at that time. Sources in the petroleum sector have repeatedly mentioned that the projects being revised on the technical and planning levels are mostly oriented toward the petrochemical area.

A government oil official confirmed yesterday that the Energy and Mines Ministry will not authorize the private sector to install lubricant recycling plants, to manufacture lubricants for export, or any other request that has been submitted to the Ministry until the commission studying hydrocarbons legislation clearly differentiates between the jurisdictions of the state and the private sector in the so-called gray areas of nationalization.

In this same context, the asphalt quotas are still the most controversial issue. The Ministry of Energy and Mines and PDVSA insist through their highest spokesmen that this area is strictly within the purview of the state. They believe, however, that major investments have been made over the past years in asphalt processing plants, and these require special treatment.

Asphalt Quotas

The asphalt quota issue is divided into two areas. In the case of plants that only process this product for export, the oil industry is studying a mechanism to deliver high-penetration asphalt to the doors of the plants that have been

processing it, so that they can turn it into blown asphalt. LAGOVEN would pay the costs of refining and the extra profits on the capital investment, and would then pick up the product. The industry claims the right to export the asphalt and earn the foreign exchange.

This mechanism would be temporary, and it would be recommended that these processing firms adapt their plants to produce pavements, roofs and other products with a higher national value added, for domestic sale or export. New firms requesting supplies to export asphalt will not be given quotas. The prevailing criterion among petroleum officials is that the national companies that produce both for domestic consumption and for export would gradually lose direct access to foreign exchange through exporting.

This point is very controversial, because the national processing firms argue that the profit on the exchange rate is one legitimate compensation for paying the high costs arising out of inflation and production costs, now that various wage benefits have been promulgated. In this context, most of the parliamentary committees of the Ministry of Energy and Mines advocate better treatment for the private sectors.

A high-ranking official at the Energy Ministry stated that the revival of an economic model along the lines of Pentacom, which was rejected by the administration of Carlos Andres Perez, is not under consideration. The government is concentrating its efforts, first of all, on the commission that is studying the hydrocarbons legislation to clear up what they insist on calling the gray areas of nationalization.

This commission will have to review in principle a minimum of four major laws: the one reserving the gas industry to the state, the one on the domestic market, the petrochemicals law, and many decrees and resolutions. The national government will postpone any decision until the limits are established. Officials in the Mines Ministry believe that a new law will not be necessary; the laws merely need to be linked together.

In this regard, Deputy Leonardo Montiel Ortega has asked for the floor in Parliament because he feels that the issue should be regarded from a broader standpoint, since a profusion of additional resolutions and decrees would hinder the enforcement of the nationalization laws.

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CSO: 3348/665

VENEZUELA

PETROLEUM REVENUES EXPECTED TO DECREASE DURING 1985

Caracas EL NACIONAL in Spanish 25 Apr 85 p D-1

[Article by Cayetano Ramirez]

[Text] Venezuela and OPEC face a difficult year as far as petroleum is concerned, because circumstances have not been propitious during the first quarter of the year. Moreover, in the next two quarters various adverse factors will come into play.

The entire picture augurs a decline in our oil revenues because demand has been lower than expected, the depletion of reserves has been greater and steadier, the coldest period of winter was short in the early months of 1985, and the prices of light products have not increased enough to make up for the drop in heavy products prices during the hot season, along with other factors.

Demand in the first month of the year was low because at that time no one knew what OPEC would decide to do. It is well known that when a situation like this arises, when it is reasonable to expect a drop in prices, anyone who can possibly delay purchases does so.

OPEC's decision came right at the end of January, and the result was a severe downturn in the market during that month. Reserves were depleted at a high rate, amounting to more than 2.5 million barrels per day, precisely to make up for the lack of oil purchases during that period.

This had an impact on exporting countries, and Venezuela exported an average of approximately 1.36 million barrels per day during the first quarter; even though there was a slight recovery in February and March, the very low level in January brought the average down to about 50,000 barrels below the predicted daily level.

We should be aware—and act accordingly—that this first-quarter decline should last throughout the spring and summer, so that a sharp upturn would be needed in the fourth quarter to balance out the year in terms of the forecasts made in the budget.

According to what the market has shown so far, prices for crude products have remained more or less stable, because the decline between January and April

has not been more than \$1 per barrel on the average for the main crude products. The light products, meanwhile, have increased slightly, and the heaviest ones have fallen somewhat. Arabian Light was selling for \$28.05 on the spot market in mid-January, and by 8 April it was listed at \$27.70. Arabian Heavy went from \$26.75 in January to \$26.45, and Kuwait Export fell from \$27.20 to \$26.95 during the same period.

The lightest OPEC or non-OPEC products, on the other hand, have risen slightly. For example, Saharan Blend from Algeria was quoted at \$26.30 in mid-January, and rose to \$28.00 by 8 April. Bonny Light from Nigeria went from \$26.95 to \$28.15, and Brent from the North Sea climbed from \$27.55 to \$28.40.

The products have behaved similarly, but the end of the British coal strike, the lower than expected economic growth rate in the United States, the even lower growth rate of other industrialized nations, and the strength of the dollar in these countries, are all factors that have kept demand in general below expected levels.

As a result of these factors, prices are already suffering, and the prospects for our country are dim; we will probably not be able to maintain the prices of our crudes and heavy products, and will have to drop them somewhat (some think between \$0.50 and \$1.00 on the average) to keep them competitive and on the market.

As in the past, particularly in 1982, we could find ourselves up against the double dilemma of a drop in export volumes and in prices. The difference is that now we are more careful, and preliminary estimates are more modest and cautious. Thus, a decline in oil revenues would not be catastrophic, although we could be talking about an amount of \$500 to \$700 million in 1985. Though it is always risky to forecast figures on a market as vulnerable to non-commercial elements as the oil market, if we put together the factors already on the scene, we see that they are all negative to a certain extent. This means we should be very prudent and wary. We are entering a very difficult period in which all of the capacity of the petroleum industry will be necessary to deal with the varied circumstances and to overcome the situation. Fortunately, the Venezuelan oil industry has that capacity, but we cannot expect it to exceed the real limits of the market.

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CSO: 3348/642

VENEZUELA

PETROLEUM EXPERT DISCUSSES PRICE DECLINE, PRODUCTION CEILING

Caracas EL UNIVERSAL in Spanish 2 May 85 p 2-1

[Interview with Dr Rafael Tudela Reverter, oil expert and businessman, by C. R. Chavez, in his office, date and time not given]

[Text] Although there may be no abrupt changes in the structure of oil prices on the international market (primarily on the spot market, with immediate repercussions on the contract market) through June of this year, by July and August the price of a barrel of oil may very well decline an average of \$2, mostly for seasonal reasons, stated Venezuelan oil expert and businessman Dr Rafael Tudela Reverter. Tudela suggested that Venezuela may need to adopt a more aggressive marketing policy, in other words a less complacent position, in order to counter the effects of the present competitive situation. As in the case of Nigeria within OPEC, and the Soviet Union outside OPEC, this competition poses potential risks that should be considered very carefully.

"The recent drop in production announced by Minister of Energy and Mines Arturo Hernandez Grisanti," began Dr Tudela in an interview in his private offices, "is not very significant, since it stems from the expectation in January that prices would fall, which caused a few delays in the receipt of crude oil shipments."

"The second quarter will certainly make up for this. I think that it is much more noteworthy that after the price adjustments were made at the last OPEC meeting, light crudes have begun to be more competitive on the market. This is especially significant considering that despite the favorable results of the first quarter in the United States, in April there was a 2 to 5 percent decline in demand, and in March there was a 5 percent drop in consumption in the four most important countries of Europe after the same thing happened in Japan.

"According to the latest news, this means that OPEC countries must cut production further, below 16 million barrels per day. Although the low level of reserves or inventories is a compensatory factor, this steady decline in demand (which confirms the structural characteristics of the situation) should alert us to the need to undertake a more aggressive marketing policy for Venezuelan crude. Otherwise, our economic situation will grow worse. We must be aware that the price could drop an average of \$2 per barrel in July or August.

"Venezuela's complacent attitude toward OPEC," added Tudela, "cannot remain the same. It must be modified to guarantee the population a minimum income. The country's unemployment rate is already intolerably high, and it will not be changed by external factors. As for internal factors, they have not changed either, and the necessary measures have not been taken to improve them. One of the key factors in keeping unemployment high has been bureaucratic red tape, and another has been the lack of economic freedom. All this has made it impossible to achieve a sustained economic recovery, which would be the appropriate way to resolve the crisis."

Nigeria and OPEC

"With regard to the OPEC sector," said Tutela, "as the PETROLEUM INTELLIGENCE WEEKLY reported in yesterday's edition, Nigeria is once again a thorn in the side of OPEC members, having announced a very flexible sales policy combined with a system of exchanges based on the barter idea.

"Nigeria's position in response to the exchanges carried out by Saudi Arabia, Kuwait and other countries has a lot to do with its situation. It is producing an average of 1.7 million barrels per day, and shows no sign of altering that trend, in contrast to its OPEC-assigned quota of 1.3 million barrels per day.

"I should also note," Tudela emphasized, "that Nigeria has barred the auditors designated by OPEC to verify production and export rates from entering the country to make the corresponding inspections.

"It is significant that 80,000 barrels per day is being exchanged under the plan of supplying oil in exchange for goods, in addition to the 60,000 barrels per day it was already selling to that South American country on the barter system, trading oil for Volkswagens. Nigeria has entered an agreement with FIAT to exchange petroleum for automobiles, based on a delivery of 50,000 barrels per day.

"With France as well, Nigeria has an agreement on the basis of the delivery of 50,000 barrels of crude per day. There is also talk of agreements with the Koreans, the Japanese, and the Belgians, involving these same "exchanges" that are actually bartering. It is estimated that these agreements will enable Nigeria to sell oil valued in monetary terms at \$12 billion to other countries. There is also talk of an agreement with Austria that would involve the delivery of 20,000 to 30,000 barrels of crude per day in exchange for some steel products. Similarly, Nigeria has drawn up an agreement with a German firm, in which Kuwait owns 10 percent of the stock, for 100,000 barrels of crude per day, also on the basis of "exchange." In other words, Nigeria is gaining access to the market through commercial bartering, which is the habitual and traditional method used by the Soviet Union and, in general, the other socialist countries."

Concerning Brazil, Tudela explained that "in this way, one of Venezuela's main potential customers will buy large quantities of Nigerian oil, while our country's workforce is enduring all kinds of deprivations."

"I really do not know how much longer we can tolerate this situation, but the circumstances suggest that sooner or later we will have to take restrictive measures like the one I have been suggesting repeatedly: excluding from Venezuela's quota the crude oil supplied to the countries in the San Jose Pact and to Curacao, and the surpluses from domestic consumption."

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CSO: 3348/665

VENEZUELA

AD PRESIDENT ON PRIVATE SECTOR PARTICIPATION IN OIL INDUSTRY

Caracas EL NACIONAL in Spanish 11 Apr 85 p D-8

[Interview with AD President Gonzalo Barrios by Leopoldo Linares; date, time and place not given]

[Text] Gonzalo Barrios foresees a heated debate within Democratic Action (AD) when it comes time to vote on the system for choosing new leaders and the next presidential candidate. Barrios admitted that there are many opinions on the subject, and that so far "nothing has been rejected or approved" in this regard.

As for the possibility of private investment in the petroleum industry, the AD president indicated that private participation in this sector would not be desirable, and asserted his view that hydrocarbon development and marketing should be kept exclusively in the hands of the state.

Barrios expressed the opinion, however, that many firms can work in connection with the oil industry without the need to reform existing legislation or to create new legal instruments.

With reference to President Ronald Reagan's position on the crisis in Central America, he said that any proposal encouraging dialogue and communication among the opposing factions would be a good idea. He explained that the Sandinist government has no reason to refuse to join talks in the search for a peaceful solution to the conflict in their country, but he emphasized that conditions that would require the Sandinists to back down should not be imposed. He advocated seeking new paths within the spirit of the Contadora Group, and in keeping with those nations' actions.

Domestic Situation

When asked about the subjects dealt with at the "mini-summit" held at his residence last Tuesday, which was attended by the representative of the President's Office, Dr Octavio Lepage, and by the president of the National Congress, Senator Reinaldo Leandro Mora, Barrios admitted that they had talked about the general situation, but had not reached any specific conclusions.

Then, referring to the reasons for the delay in the internal election process, he stated that this situation should be explained by the AD national secretary

of organization, Senator Luis Alfaro Ucero. In any event, Barrios stated that there is no ideological reason for the delay; it is a matter of practical or functional problems. He confirmed that before the end of 1985, the process itself will begin, with primary, municipal, district and regional elections, and that the national convention will certainly be held by early next year.

When we asked his opinion about the basic issue that is being discussed by the AD statutory reform committee, regarding the system that will be used to choose the new party officials as well as the next presidential candidate, Barrios stated:

"In that regard, there has been no agreement. I think that there will be a heated debate within the party, because there are many opinions on the subject, and I myself have not come to a clear decision. I will wait to decide until I have seen certain proof . . ."

[Question] Electoral colleges have reportedly been rejected . . .

[Answer] No, nothing has been rejected or approved. We have to wait until more specific discussions have been held on the various ideas before making a decision.

Oil Legislation

[Question] What is your opinion of the government's plan to reform hydrocarbons legislation to permit the participation of private sectors in the petroleum industry?

[Answer] I am of the opinion that private participation in the oil industry is not desirable, if it runs counter to a general principal that reserves activities in this sphere to the state. Now I suppose that other related activities do not require legal modifications for their work. At present many industries supply the oil industry, and they are in private hands. In that regard, I think that there should be no restrictions, and there is no need for new laws for them to be able to operate.

Barrios stressed that there are many companies working for the petroleum industry. For example, he cited those that manufacture pipes, spare parts and other material that is needed for the proper functioning of the oil industry. The AD president emphasized, however, that the development and marketing of hydrocarbons should remain in the hands of the state. He added that not even private participation through minority shareholding, as was proposed a few days ago, would be acceptable.

Reagan's Proposal

He stated that this matter is very important, and noted that it has been discussed in Caracas. He also said that people are awaiting President Jaime Lusinchí's formulation of Venezuela's position in New York. Barrios added that many threads of the situation in Central America are being drawn together in the United States these days, as several Latin American leaders and distinguished spokesmen of the Contadora initiative have gone there.

"We in the party believe in general," added Barrios, "that holding talks in search of a solution to a conflict is always advisable, especially in the Americas, at the level of the entire hemisphere, where we can assert that this is an established tradition. For example, in the neighboring country of Colombia, talks are going on between the government and the latent or permanent insurrection movement, and I don't think anyone can argue that the illicit, illegal or illegitimate nature of subversion has been an obstacle to that. Of course, there is no more legitimate movement in the Americas, from the juridical point of view, than the Colombian subversives, yet the government is holding talks with their representatives. On the other hand, we have the example of El Salvador, where there have been contacts between the government and the revolutionary insurrectionists."

"Thus," asserted Senator Barrios, "I do not think there is any good reason for the Sandinists to refuse to talk about possible solutions to the state of war that prevails in that country. That is one thing, however, but trying to impose conditions that would mean the regime's giving in or stepping down would be quite another matter. Then they would indeed have good reason to refuse to talk."

[Question] What could Venezuela's position be regarding President Reagan's proposal?

[Answer] We would participate, and I think that will be the stance adopted: that within the spirit of the Contadora group and in keeping with those nations' actions, an effort should be made to start such talks, and that this should in no way involve prior conditions or invitations to the Sandinists to commit suicide.

[Question] Then Reagan's proposal could fit within the framework of Contadora . . .

[Answer] I believe that Reagan's proposal does not fit within the framework of Contadora, but it could be adjusted. That is the important thing, because it implies certain interventionist elements that are not in keeping with Contadora.

Before concluding the interview, Barrios expressed optimism about the results of President Lusinchi's trip to the United States. He asserted that the chief of state is in good health. He jokingly recalled that during his absence, there were rumors that President Lusinchi was undergoing kidney surgery and that Dr Barrios himself was having eye surgery. When someone asked him about it on his return from the United States, the AD leader responded: "I haven't heard anything about the kidney, but I have heard that I lost an eye or that I was about to lose it . . ."

Before concluding, he admitted that "there is some truth to the rumor about a medical check-up" for President Lusinchi, and added that "the excessive secrecy has aroused speculation."

"What I do think, and I do not want to commit any indiscretion by saying this, is that he has been advised to lose weight, certainly a very drastic recommendation."

VENEZUELA

1.4 BILLION BARRELS OF LIGHT CRUDE OIL RESERVES DISCOVERED

Caracas EL UNIVERSAL in Spanish 20 Apr 85 p 2-3

[Text] The discovery and subsequent technical identification of a new petroleum province, this time in the state of Apure, very close to the Colombian border, is considered a very positive development. The reason is that the oil in question is light crude, of which the country has only small proved reserves.

In this regard, the president of Corpoven, Dr Frank Alcock Perez Matos, spoke in detail about the main results obtained by this major subsidiary of Venezuelan Petroleum, Inc. (PETROVEN). Referring to accomplishments in the 1984 fiscal year, he stated, "The discoveries of light petroleum in the territory of the Paez District of the state of Apure are our firm's most important achievement of 1984, and one of the most significant in the entire national petroleum industry in recent years."

President Alcock stated that Corpoven eventually expects to be able to add some 1.4 billion barrels in new reserves if its predictions about this new basin continue to be confirmed. "This constitutes a valuable contribution by Corpoven to the country's economic assets, particularly at a time when it is important that we augment our light crude reserves."

"In 1984, our firm," he stated, "confirmed the presence of significant deposits in La Villa, San Julian, Machiques, Alturitas and Alpuf, on the western shore of Lake Maracaibo."

Alcock added that "of the area's total resources, estimated at 1.3 billion barrels, so far some 675 million barrels has been discovered. In addition, 34 wells have been drilled, with a production capacity of 35,000 barrels per day."

Another significant achievement stressed by Dr Alcock was the fact that "in 1984, 419 million barrels of proved reserves were added, meaning that for the first time in Corpoven's history, remaining proved reserves exceeded 3 billion barrels."

He also pointed out that "the firm's potential production reached 425,000 barrels per day in 1984, an absolute increase of 11,000 barrels per day over the 1983 total."

"A total of 142,000 barrels of crude products was processed in our refineries each day," he went on, "which represents an increase of 16,000 barrels per day over the 1983 level. This is a record in our company's refining history." Alcock explained that in 1984, "an average of 63,000 barrels of gasoline was produced each day, which included 11,300 barrels of unleaded gasoline, 34,000 barrels of distillates, 2,000 barrels of liquefied gas, and 59,000 barrels of residual fuels. These figures reflect an increase of 15,000 barrels per day in the production of goods with a higher strategic value (gasoline and distillates) over the previous year's figures. I should also emphasize that in 1984 we began exporting aviation fuels (Jet A1) from the El Palito and Bajo Grande refineries."

Regarding the Yagua Distribution Plant, a key factor in the development of Carabobo and the central region of the country, Alcock stressed that "in 1984, more than 16 million barrels of fuel was shipped out, covering a market that includes the states of Apure, Aragua, Cojedes, Portuguesa, Barinas, South Carabobo and part of Guarico. To give you an idea of the significance of this facility, suffice it to say that up to 845,000 barrels of fuel can be stored in it, equivalent to more than half Venezuela's current daily production," he stated.

Alcock mentioned that "in 1984 Corpoven's conceptual plan for developing the Nurgas project was approved. Under this project, Corpoven will build a new gas pipeline 802 kilometers long, from Anaco in the state of Anzoategui to Rio Seco in the state of Falcon. The pipeline will fulfill the rising demand for gas, especially in the central region of the country. In addition, it will make possible the gradual replacement of liquid fuels that could be exported, which would have a favorable impact on our country's foreign reserves."

Alcock reported that Corpoven supplied 40 percent of all the energy consumed in Venezuela in 1984, and added that Corpoven's sales in the country, including natural gas, represent the equivalent of 319,000 barrels of petroleum per day. "Of that total, there was 172,000 barrels per day of natural gas in petroleum equivalent, and 147,000 barrels of products including liquefied gas. It should be noted that 25,000 barrels of refined products per day was saved in 1984 by making more use of the natural gas promoted by our company." In addition, Alcock stressed that Corpoven was the final distributor of 60 percent of all hydrocarbons consumed in the country.

As for Corpoven's contribution to the nation as a product of the profits on its operational activities, Alcock stated that in 1984 that contribution was more than 12 billion bolivars. "In addition, and as a result of our policy of stimulating Venezuelan industry, 862 million bolivars worth of materials and equipment were purchased in the country, 73 percent of all purchases. This represents a significant increase over the 1983 figure."

He noted that in accordance with the recovery policy and the effort to make better use of materials and equipment, during the year "equipment from the old refinery in Moron was used on important projects, such as those carried out on the western shore of Lake Maracaibo and in Apure. This led to a savings of 51 million bolivars in 1984."

Another important achievement emphasized by the president of Corpoven was the fact that for the fourth year in a row, total spending by the enterprise fell below the budget. "The level of spending in 1984," he reported, "was 5 percent below the original budget."

Alcock concluded by citing a few social and community projects that Corpoven carried out nationally in 1984. "The Torunos-San Silvestre-Campo Mingo Highway was completed. With an investment of 55 million bolivars, this road connects the agricultural and petroleum production centers of the state of Barinas. In Zulia, major donations were made to centers of higher education, such as the University of Zulia (for the laboratory infrastructure of the School of Petroleum Engineering) and Rafael Urdaneta University (for the construction of a library building). In Carabobo, donations were given to the University Institute for Firefighting and Safety, headquartered in Valencia, and to the Central Technological University (UNITEC), for the expansion of its facilities. We have proceeded with the Acude-Corpoven program that was begun 3 years ago in the town of San Silvestre, Barinas. Today this program has extended throughout the country, teaching reading and writing to more than 1,000 Venezuelans."

"In all our efforts, we have enjoyed the firm support of our entire staff, who at various levels have served us with loyalty, devotion and discipline, to give the country the results it requires of its petroleum workers," concluded Frank Alcock, president of Corpoven.

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